

CAI
RT
76P17

Land
Government
Publications



Canadian Radio-television and
Telecommunications Commission

Conseil de la radiodiffusion et des
télécommunications canadiennes

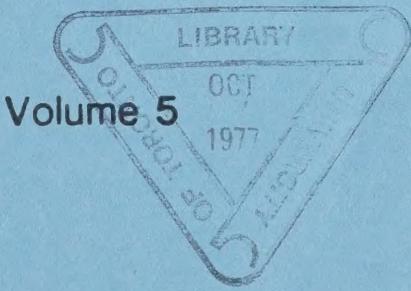
1976

COMMENTS

COMMENTAIRES

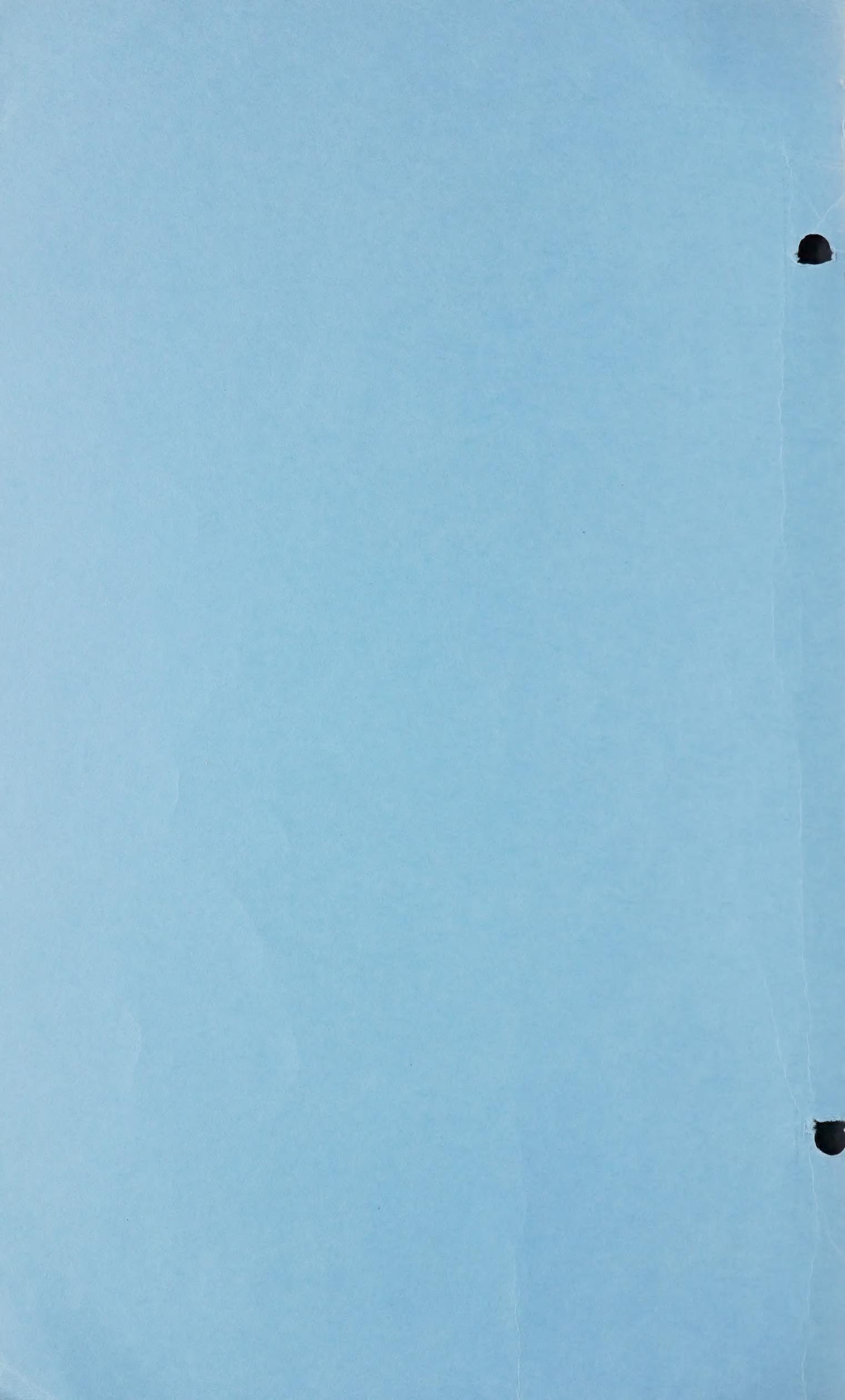
Pay Television

Télévision à péage



Nos. 92 thru - 120

Nos. 92 à - 120



CAI
RT/16
76P17

PAY TELEVISION / TELEVISION A PEAGE

COMMENTS / COMMENTAIRES

BY ALPHABETICAL ORDER/PAR ORDRE ALPHABETIQUE

COMMENTS / COMMENTAIRES	NUMBER / NUMERO	1976	1977
ALBERTA THEATRE PROJECTS Calgary, Alberta	14		
APPLEBY, DR. L.H. Quesnel, British Columbia	112	N- 7	
ASDA COMMUNICATIONS CONSULTANTS Ottawa, Ontario	61		
ASSOCIATION CANADIENNE DE LA RADIO ET DE TELEVISION DE LANGUE FRANCAISE Trois-Rivières, Québec	83		
ASSOCIATION DES PRODUCTEURS DE FILMS DU QUEBEC Montréal, Québec	64	N-55	
ASSOCIATION DES REALISATEURS DE FILMS DU QUEBEC Montréal, Québec	79		
ASSOCIATION OF TELEVISION PRODUCERS AND DIRECTORS Toronto, Ontario	36		
ASSOCIATION QUEBECOISE DES DISTRIBUTEURS DE FILMS Montréal, Québec	86		
ASTRAL BELLEVUE PATHÉ LTEE Montréal, Québec	54	N-20	
BANGAY, MRS. E. Scarboro, Ontario	119		
BARTHOLOMEW, MICHAEL Toronto, Ontario	49	N-12	
BASSETT, S. Toronto, Ontario	109		
BELL CANADA Montreal, Quebec	55	N-18	
BLA TED, GARY Scarboro, Ontario	2	N- 9	
BMI CANADA LIMITED Don Mills, Ontario	50		
BOOK & PERIODICAL DEVELOPMENT COUNCIL Toronto, Ontario	101		
BOYD, PAUL Vancouver, British Columbia	84		

BRITISH COLUMBIA FILM INDUSTRY ASSOCIATION Vancouver, British Columbia	110	
BRITISH COLUMBIA TELEVISION BROADCASTING SYSTEM LTD. Vancouver, British Columbia	62	N-27
BROADBAND COMMUNICATIONS NETWORKS LIMITED Toronto, Ontario	71	
BROWN, COLIN N. Willowdale, Ontario	6	N- 2
CABLECASTING LIMITED Toronto, Ontario	82	
CABLE TV LTD. Montreal, Quebec	85	
CANADIAN ACTORS' EQUITY ASSOCIATION Toronto, Ontario	73	
CANADIAN ANIMATION PRODUCERS ASSOCIATION Toronto, Ontario	1	
CANADIAN ASSOCIATION FOR ADULT EDUCATION Toronto, Ontario	70	
CANADIAN ASSOCIATION OF BROADCASTERS (THE) / L'ASSOCIATION CANADIENNE DES RADIODIFFUSEURS Ottawa, Ontario	38	N- 8
CANADIAN ASSOCIATION OF MOTION PICTURE PRODUCERS Toronto, Ontario	90	
CANADIAN AUTHOR'S ASSOCIATION Tantallon, Nova Scotia	24	
CANADIAN BROADCASTING CORPORATION/SOCIETE RADIO-CANADA Ottawa, Ontario	32	N-53
CANADIAN BROADCASTING LEAGUE/LIGUE DE LA RADIODIFFUSION CANADIENNE Ottawa, Ontario	52	N-14
CANADIAN CABLE TELEVISION ASSOCIATION/ASSOCIATION CANADIENNE DE TELEVISION PAR CABLE Ottawa, Ontario	39	N-25
CANADIAN CHILDREN'S MAGAZINE Victoria, British Columbia	111	
CANADIAN CONFERENCE OF THE ARTS / CONFERENCE CANADIENNE DES ARTS Toronto, Ontario	10	N-28
CANADIAN FILM AND TELEVISION ASSOCIATION/ ASSOCIATION CANADIENNE DE CINEMA-TELEVISION Toronto, Ontario	37	

NUMBER/NUMERO

COMMENTS / COMMENTAIRES

1976 1977

CANADIAN FILM DEVELOPMENT CORPORATION/SOCIETE DE DEVELOPPEMENT DE L'INDUSTRIE CINEMATOGRAPHIQUE CANADIENNE Montreal, Quebec	100	
CANADIAN FOOTBALL LEAGUE Toronto, Ontario	11	
CANADIAN GUILD OF POTTERS Toronto, Ontario	104	
CANADIAN MUSIC COUNCIL Ottawa, Ontario	103	
CANADIAN PUPPET FESTIVALS Chester, Nova Scotia	20	
CANWEST BROADCASTING LTD. Winnipeg, Manitoba	57	
CARROLL, BRIAN M. Ottawa, Ontario	94	
CHANNEL SEVENTYNINE LIMITED Toronto, Ontario	60	N-37
CHAPLIN, MRS. EILEEN J. Mississauga, Ontario	33	
CHUM LIMITED Toronto, Ontario	68	
CINEO PRODUCTIONS Toronto, Ontario	80	N-33
CONSUMER'S ASSOCIATION OF CANADA/ASSOCIATION DES CONSOMMATEURS DU CANADA Ottawa, Ontario	30	N-26
CONTINUING COMMITTEE ON RACE RELATIONS, MEDIA SUBCOMMITTEE Toronto, Ontario	4	N-44
CORPORATION CIVITAS LIMITEE/CIVITAS CORPORATION LIMITED Montréal, Québec	46	
CORPS OF CANADIAN (OVERSEAS) FIRE FIGHTERS (THE) Toronto, Ontario	23	
COUNCIL OF CANADIAN FILMMAKERS (THE) Toronto, Ontario	77	N-58
DIRECTORS GUILD OF CANADA Toronto, Ontario	51	
EDMONTON VIDEO LIMITED Edmonton, Alberta	44	
ELECTROHOME LIMITED Kitchener, Ontario	35	

NUMBER/NUMERO

COMMENTS/COMMENTAIRES

1976 1977

FRONT COMMUN SUR LES COMMUNICATIONS Montréal, Québec	113	
GERRIDZEN, MRS. S.I. Toronto, Ontario	117	
GIBBONS, MISS JACQUELINE Fredericton, New Brunswick	18	
GLOBAL TELEVISION NETWORK Don Mills, Ontario	58	N-57
GOVERNMENT OF ALBERTA, MINISTRY OF UTILITIES AND TELEPHONES Edmonton, Alberta	81	
GOVERNMENT OF NEWFOUNDLAND AND LABRADOR DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS St. John's, Newfoundland	107	N-54
GURION, STEVEN Toronto, Ontario	92	N- 3
HEMMINGS, TONY London, England	115	
HENDERSHOT, MISS L. Toronto, Ontario	118	
HOSSACK, MISS DONNA Vancouver, British Columbia	19	
INTER-CHURCH COMMUNICATION Toronto, Ontario	74	N-19
INTER-CHURCH TELEVISION (B.C.) Richmond, British Columbia	48	
JOINT BROADCAST COMMITTEE (ACA & ICA) Toronto, Ontario	63	N- 6
JOINT REPRESENTATION BY: AMERICAN FEDERATION OF MUSICIANS, ASSOCIATION OF CANADIAN TELEVISION AND RADIO ARTISTS, CANADIAN ACTORS' EQUITY ASSOCIATION AND THE CANADIAN LABOUR CONGRESS Ottawa, Ontario	31	
JOINT REPRESENTATION BY: ATLANTIC TELEVISION SYSTEM LIMITED, ATV CAPE BRETON LIMITED AND ATV NEW BRUNSWICK LIMITED Halifax, Nova Scotia	41	
JOINT REPRESENTATION BY: CNCP TELECOMMUNICATIONS AND AGRA INDUSTRIES LIMITED Toronto, Ontario & Montreal, Quebec	45	N-15
JOINT REPRESENTATION BY: CO-ORDINATING COMMITTEE OF THE CANADIAN CONFERENCE OF THE ARTS AND THE COUNCIL OF CANADIAN FILMMAKERS Toronto, Ontario	29	

NUMBER/NUMERO

COMMENTS/COMMENTAIRES

1976 1977

JOINT REPRESENTATION BY: MATCHOSIE FARM AND QUADRANT FILMS LTD. Victoria, British Columbia and Toronto, Ontario	97
JOINT REPRESENTATION BY: MURRAY, B. PAUL & HIGGINS, PATRICIA H. Fax, Nova Scotia	66
JOINT REPRESENTATION BY: TRANS-CANADA TELEPHONE SYSTEM AND TELESAT CANADA Montreal, Quebec & Toronto, Ontario	53 N-30
JOLLIMORE, W.L. Wolfville, Nova Scotia	17
KASSNER, M.H. Ottawa, Ontario	65
LARKIN, MR. AND MRS. J.M. Toronto, Ontario	116
LEITERMAN, DOUGLAS Toronto, Ontario	87
LINDSAY SPECIALITY PRODUCTS LIMITED Lindsay, Ontario	42
MADDEN, W.L. Sechelt, British Columbia	69
MARQUIS, RUTH Thornhill, Ontario	95
MARWICK, STUART Toronto, Ontario	78
MID-CANADA TELEVISION Sudbury, Ontario	47
MI MEDIATRONICS INTERNATIONAL LTD. Richmond, British Columbia	5
MOFFAT COMMUNICATIONS LIMITED Winnipeg, Manitoba	27
MOTION PICTURE THEATRE ASSOCIATIONS OF CANADA Toronto, Ontario	26 N-51
NDWT COMPANY (THE) Toronto, Ontario	13
NIAGARA CO-AXIAL LIMITED Stoney Creek, Ontario	3
OFFICE DES COMMUNICATIONS SOCIALES Montréal, Québec	25

NUMBER/NUMERO

COMMENTS/COMMENTAIRES

1976 1977

ONTARIO EDUCATIONAL COMMUNICATIONS AUTHORITY (THE) Toronto, Ontario	98	
ORGANIZATION OF SASKATCHEWAN ARTS COUNCIL Estevan, Saskatchewan	67	
PEARSON, PETER Toronto, Ontario	9	
PRIVATE TELEVISION BROADCASTERS IN CANADA Toronto, Ontario	22	N-23
PRODUCTIONS MUTUELLES LIMITEE/MUTUAL PRODUCTIONS LIMITED Montréal, Québec	43	N-39
PROJECTIONS PRODUCTIONS LTD. Toronto, Ontario	21	
PRO-VISION LIMITED Halifax, Nova Scotia	108	
PTN PAY TELEVISION NETWORK LIMITED/RTP LE RESEAU DE TELEVISION A PEAGE LIMITEE Toronto, Ontario	28	N-13
LA RADIO DES PLAINES LTEE (CKVR) Drummondville, Québec	91	
RICHARD, JOHN D. Ottawa, Ontario	16	
ROBERTSON, H.G. Sechelt, British Columbia	105	
ROBINSON, GERALDINE Flesherton, Ontario	106	
ROSS, MRS. DULCIE A. Surrey, British Columbia	114	
SALTER, LIORA Vancouver, British Columbia	88	
SELKIRK HOLDINGS LIMITED Toronto, Ontario	76	N-40
SHANDREL, AEYRON Vancouver, British Columbia	15	
SMITH, ROXANN VIVIAN Mississauga, Ontario	102	
SOCIETE D'EDITION ELECTRONIQUE Montréal, Québec	59	N-56
SOCIETY OF FILM MAKERS (THE) Ville St. Laurent, Quebec	7	

NUMBER/NUMERO

COMMENTS/COMMENTAIRES

1976 1977

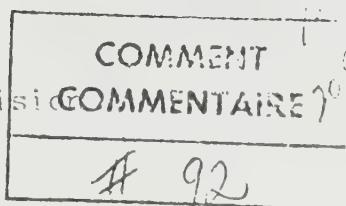
STORY, R.F. Willowdale, Ontario	120	
SWITZER, I. Toronto, Ontario	96	
T CABLE VIDEOTRON St Hubert, Québec	75	N-16
TELEMEDIA COMMUNICATIONS LTEE Montréal, Québec	93	
TELE-METROPOLE INC. Montréal, Québec	89	N-38
TEL-PRO ENTERTAINMENTS Toronto, Ontario	34	
TORONTO MOTION PICTURE PROJECTIONISTS Toronto, Ontario	99	N-32
WESTERN APPROACHES LIMITED Vancouver, British Columbia	56	
WESTERN CODED TELEVISION LIMITED Ottawa, Ontario	40	N-21
WEST KOOTENAY CABLEVISION SOCIETY Trail, British Columbia	8	
WEST KOOTENAY FILM PRODUCTIONS Trail, British Columbia	12	
WRITERS' FEDERATION OF NOVA SCOTIA (THE) Halifax, Nova Scotia	72	



2 Oct 1976

260 Paddington
Toronto, Ontario
M5B 2L9

Canadian Radio And Television
Commission



Dear Sirs:

As a citizen interested in the subject of the curtailing of individual rights, I strongly urge you to never again place restrictions on what Canadians can or cannot watch on their televisions and listen to on their radios! Pay-TV will be a disaster if it is Canadian-oriented and especially if controlled by the CBC.

It is time that we realize that American shows are vastly superior to our shows and that our interest in American shows is much greater than in Canadian shows.

In a free society, should your commission even have the right and power to deprive us of one of the only sources of pleasure we derive in our homes?

The CBC is attempting to thrust its jealous, vindictive hatred of the Americans down our throats and eyes and ears. Yet the citizenry itself in free competitiveness--choose NBC, CBS & ABC consistently over our networks. We are not being brainwashed into becoming Americans. Let we are alike with ^{our} hours in so many real ways and specifically in spirit and in cultural development that we cannot stop our course now.

The CBC's actions are not in the interests of nationalism--simply power and control. Their productions are so inferior that they find themselves having to present American made programs simply to have some Canadians watch them!

You yourselves have seen the impact of dropping FW radio broadcasts thru cable.

Do not buckle to the CBC over this Pay-TV issue!

Defend our rights! I could refer American movies and sports events to the inferior-quality Canadian performances offered. We can use the Americans to grow and develop! Don't deny us our pleasure--our liberty and our precious rights!

Steven Gurion
Toronto, Ontario

Received by - Reçu par
SECRETARIAT

Oct 12 1976

C.R.T.C.



Received by - Reçu par
SECRETARIAT

OCT 14 1976



C.R.T.C.

Le 30 septembre 1976

Monsieur Guy Lefebvre
Secrétaire général
Conseil de la radiodiffusion et
des télécommunications canadiennes,
100, rue Metcalfe
Ottawa K1A 0N2

COMMENT
COMMENTAIRE

92

sujet: Télévision à péage

Cher monsieur Lefebvre,

Le groupe Télémédia, division télévision, opère présentement trois postes de télévision: CJBR-TV à Rimouski, CHLT-TV à Sherbrooke et CHEM-TV à Trois-Rivières. Ces trois postes présentent à leur auditoire une programmation qui leur est en majeure partie fournie par Radio-Canada ou Télémétropole et TVA. De plus en plus, le volume de production locale d'émissions de télévision dans ces régions devient difficile à maintenir à cause de la fragmentation graduellement plus grande de l'auditoire et de la difficulté alors d'obtenir les revenus publicitaires nécessaires pour supporter une telle production locale.

Il nous apparaît donc de première importance d'examiner l'impact possible de la télévision à péage comme facteur additionnel de fragmentation d'auditoire, avant d'accepter la mise en place d'un tel système au Canada et plus particulièrement dans les marchés secondaires.

.../



Le CRTC devrait également tenir compte dans son évaluation de la situation présente et future des entreprises de télévision, de la difficulté qu'il éprouve à faire appliquer sa politique de substitution de programmes sur les entreprises de cablodistribution dans certaines régions du pays.

De plus, il nous semble que les tenants de l'établissement immédiat d'un tel système soient motivés davantage par la possibilité de contrôler, dès sa mise en place, une organisation éventuellement rentable, plutôt que par la préoccupation de répondre à un besoin du marché canadien.

Si l'entreprise devait vraiment répondre à un besoin et promouvoir la création de productions canadiennes de qualité sans occasionner un transfert pur et simple des revenus et des talents de la télévision actuelle, nous serions heureux de participer, dans la mesure de nos moyens, à l'établissement de ce système. Mais, pour le moment, nous ne sommes pas convaincus qu'un tel besoin existe et que l'effet de l'implantation d'un tel système ne sera pas nuisible à ce qui se fait déjà comme production canadienne à la télévision.

Nous souhaitons donc que le CRTC, avant d'approuver l'établissement au Canada d'un service de télévision à péage, entreprenne la recherche nécessaire pour assurer

- a) qu'un tel service répondrait à un besoin;
- b) que son établissement n'entraînera pas une fragmentation additionnelle d'auditoire désastreuse pour les postes régionaux de télévision en particulier;
- c) que son établissement rendra possible la création d'une production canadienne d'émissions de qualité qui ne sauraient être produites par le système actuel de télévision;

.../



d) que son établissement n'entraînera pas le transfert d'émissions déjà disponibles gratuitement pour les téléspectateurs, sur un service de télévision pour des émissions qu'ils devraient dorénavant payer pour voir.

Ces prérequis nous apparaissent fondamentaux et nous sommes pour notre part, disposés à participer à toute étude que pourrait entreprendre le CRTC dans cette optique.

Bien à vous,

André Bureau,
Vice-président exécutif



2-117 Cartier Street

Ottawa, Ontario

K2P 1K4

*Rec'd
9/2/71*

Canadian Radio and Television Commission

Berger Building
100 Metcalfe Street
Ottawa, Ontario
K1A 0N2

COMMENT
COMMENTAIRE
94

Dear Sir or Madam:

I am writing with respect to the policy of the Commission with respect to pay television. On October 1, 1976 I viewed Alfred Hitchcock's film "Torn Curtain" on CJCH-TV here in Ottawa. About a month before, a program devoted to Hitchcock's work and technique was presented on WNPE-TV (Watertown, N.Y.) during prime time, and this program contained a sequence from "Torn Curtain". During this scene, Hitchcock attempts to dispell the myth that murder is as simple as it is portrayed on television. Having seen this program, I decided to watch the entire film in order to see it in context. Unfortunately the station had decided to cut 3/4 of the scene in question, leaving the plot in shambles.

This brings me to my opinion about pay television. If pay television is the only way that we can have uncut films on television then I am all for it. Similarly, if it is the only way that we can have quality television without commercial interruptions I am again all for pay television.

Yours truly

Brian M. Carroll
Brian M. Carroll

Received by - Recu par
SECRETARIAT

Oct 13 1976

C. R. T. C.



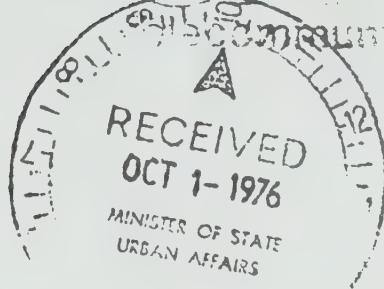
COMMENT
COMMENTAIRE
92

M

P15

CNCP

Canadian Communications



QJE545

QJE545 (301749)

TBA9108 23 NL CRT TORONTO ONT N-30

HON BARNEY DANSON MEMBER OF PARLIAMENT

HOUSE OF COMMONS OTTAWA ONT

BT

WE DEMAND THAT THERE BE A PUBLIC HEARING REGARDING PAY
TELEVISION

RUTH MARQUIS 46 ROOSEVELT DR THORNHILL ONTARIO L4J 1N4



Minister's Office

OCT 1 1976

Min.

Ex. Asst.

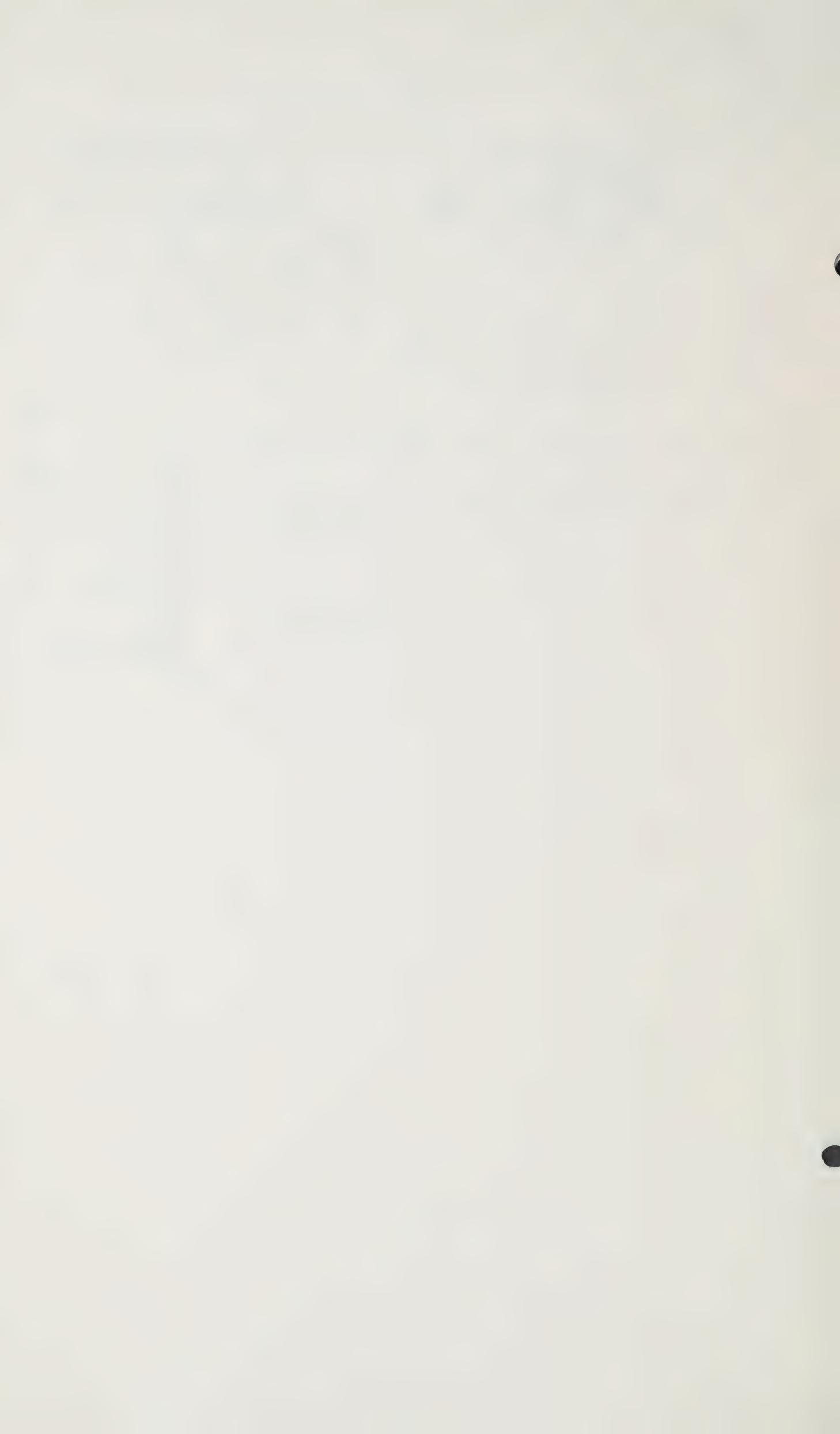
Sp. Asst.

Adm. Asst.

Pri. Sec.

182-1-3/m

J.R.T.



WHAT'S
ALL THIS TALK
ABOUT

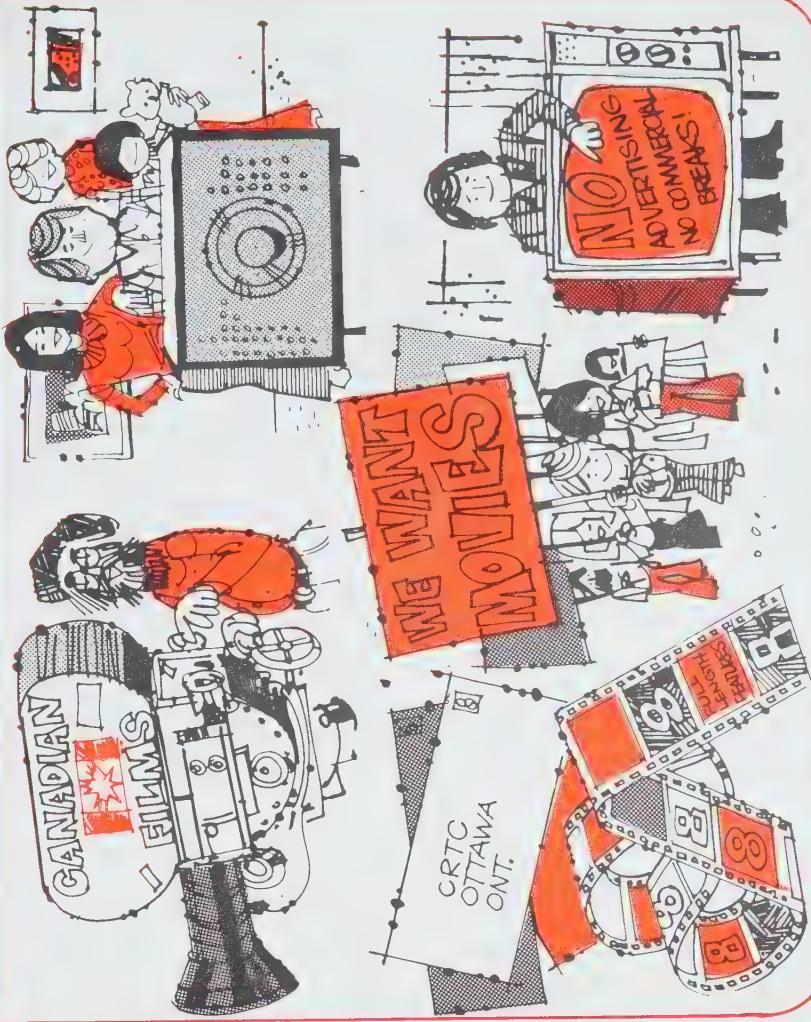
PAY-TV

WHAT IS IT?

HOW WILL IT WORK?

WHAT WILL IT LIKELY COST?

WHAT CAN IT DO FOR CANADIAN
TALENT?

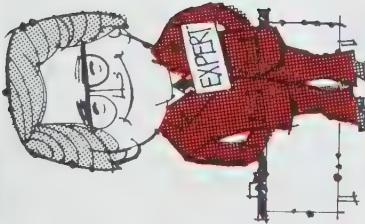
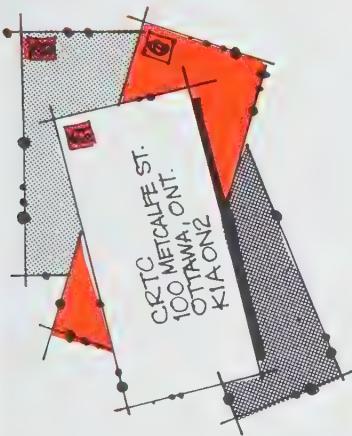


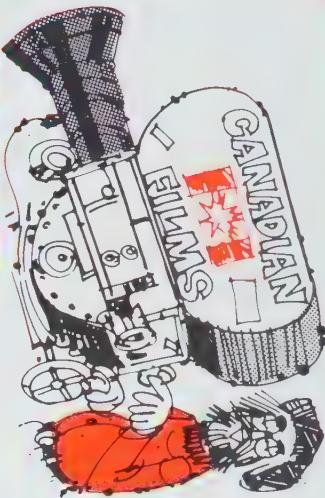
FREE we on the
right track?

We're not asking you to buy it at this stage. The CRTC has scheduled a public hearing in May to consider policy regarding the introduction of pay TV. We thought you should have a clear understanding of the cable companies' proposal, so you will be in a better position to make your feelings known. If you care to comment, write to your cable company, or to the CRTC, 100 Metcalfe Street, Ottawa, Ontario, K1A 0N2.

WHY would cable
companies be best to start
pay TV?

First, because we already have an organization dealing directly with the public. Second, the cable is an ideal way to distribute programs on a very selective basis, to subscribers only. It would be very wasteful for a new organization to set up the sales, service and billing systems we already have in place. There would be less money available for good programs. We are quite prepared to hire the finest experts available to guide us in film selection and programming.





WHAT this is

all about

Something called pay TV is flourishing in the United States. The Canadian Government wants to encourage pay TV in Canada, but only if it offers a range of programs not now offered by existing TV stations, and only if it doesn't drain good programs from those stations. The Government also wants pay TV to encourage the production of high quality Canadian films . . . good enough for us to sell in the U.S. and abroad.



Your cable company wants to bring pay TV to you. We, along with other cable companies, have made a proposal to the Government which we believe fully meets their objectives, and which will give you a unique new kind of theatre in your home. Because there have been confusing reports about what pay TV will mean to Canada, we want to tell you what it really is, and explain how we see it working.

WHAT is pay TV?

Your present TV programs are paid for by advertisers, or, as with some CBC pro-

grams, by taxes. Pay TV would come to you through a new cable channel on your dial. Programs would have no advertising . . . no commercial interruptions. They would be paid for entirely by those who subscribe to the service. If you decided not to subscribe, you would pay nothing, and that special channel would be blank on your set. All your present cable channels would remain the same.

WHAT would pay TV offer?

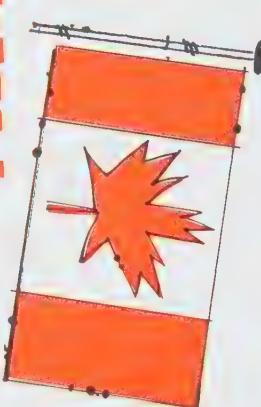
The trend today is toward a monthly subscription fee for a continuous channel. \$8 a month is the likely fee in Canada, which is the average amount now paid in the U.S. For that \$8 a month we would provide up to 8 full length feature movies each month. These would come to you unedited, uninterrupted, with no commercials. They would be repeated at different times through the month so you would have ample chance to see each one.



A theatre in your home

WHAT Canadian Content be high?

In the beginning we expect most films will be U.S. or foreign. Even within the first 5 years, however, we expect to pour **\$80 million** into Canadian productions, and we think that amount will spark a healthy Canadian film industry which will produce films we will be proud to show . . . films which other countries will demand. Most important, Canadian talent will be encouraged to stay here and thrive, rather than look elsewhere for support and recognition.



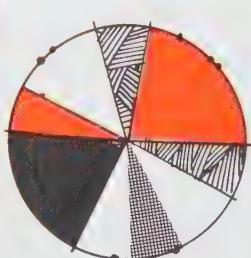
WHAT happens to the \$8 a month?

The cable company requires a substantial amount to cover the cost of supplying this new service. There will be considerable cost to purchase the movies. We've already spoken of the huge sums earmarked for the production of Canadian films of a high quality, suitable for export and a small amount to cover networking, administration, and distribution costs.



WHAT would there be anything besides movies?

While the basic package will be movies, pay TV programming will be expanded to include certain cultural and entertainment events not currently available on "free" television.





I SWITZER
22 WESTGROVE CRES
TORONTO ONT.
MSN 2T1

September 30, 1976

Mr. Harry Boyle, Chairman,
C.R.T.C.,
100 - Metcalfe Street,
Ottawa, Ontario
K1A 0N2

COMMENT
COMMENTAIRE

96

Dear Harry,

It had never occurred to me that the Government might decide the PAY-TV issue without a public CRTC hearing.

Put me down as one of those supporting an exhaustive (and possibly exhausting) CRTC public hearing before any hard decisions are made.

Yours sincerely

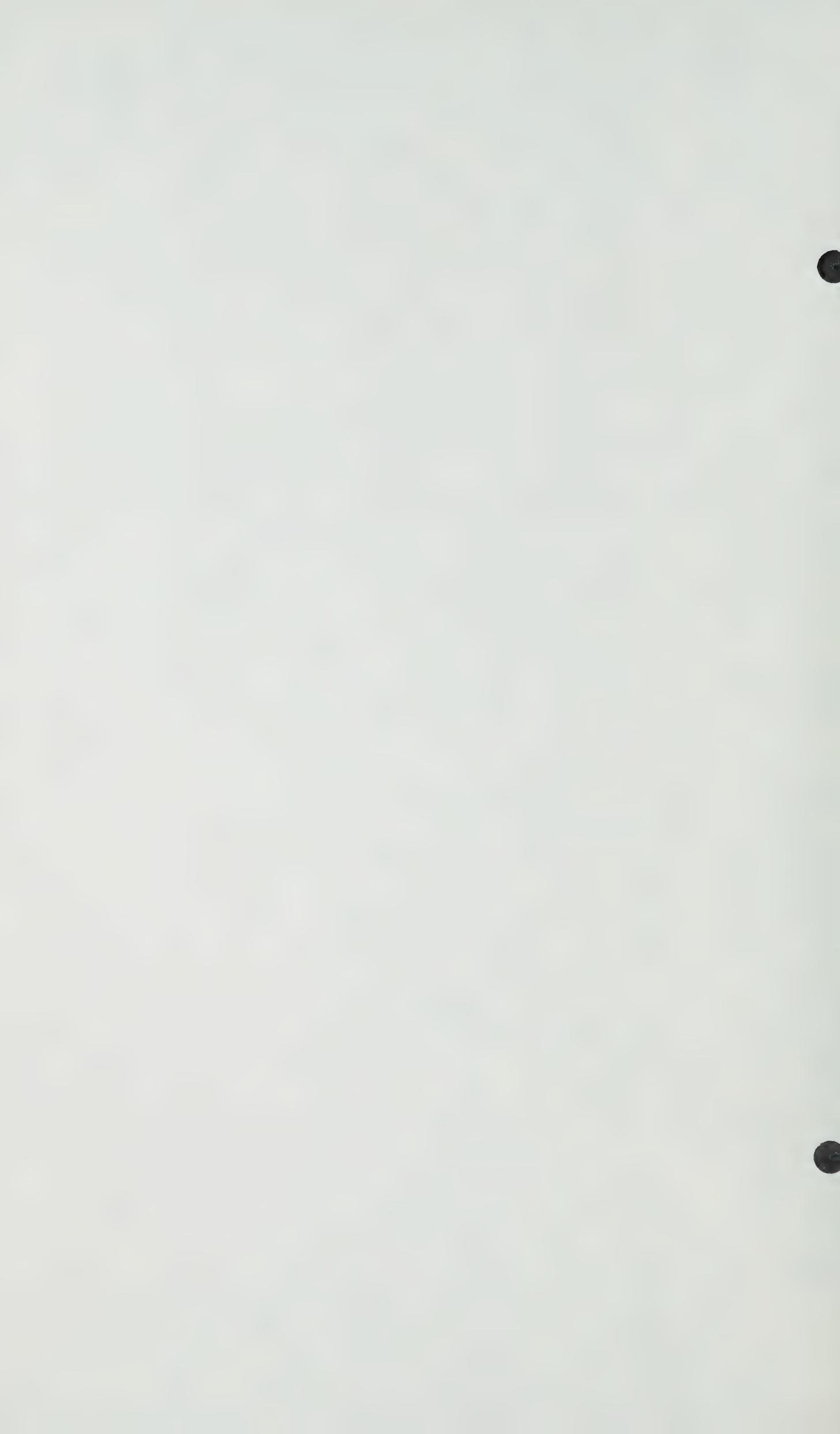
I. Switzer/

Received - Reçu
Executive Assistant - Unico
Bureau du Conseil du Cabinet

OCT 12 1976

C. R. T. C. - Ottawa

IS

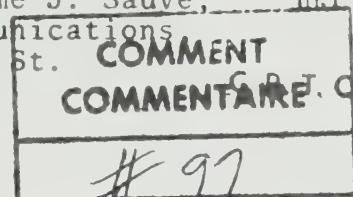


Received -- Reçu
Executive - Bureau - Bureau
Bureau du Cabinet

4283 Metchosin Road
Victoria, B.C.

September 29, 1976

The Honourable Mme J. Sauve,
Minister of Communications
1810-100 Metcalf St.
Ottawa
K1A 0N2



- Ottawa

1976-2/1
(Pay TV)

Dear Mme Sauve:

In your speech of June 2, 1976 you made clear your determination that the introduction of PTV into Canada will be in a manner that will give maximum benefit to the Canadian production industry. Your goal for the industry, and one with which we agree, is the production of programmes which not only Canadians would want to watch, but would be marketable internationally.

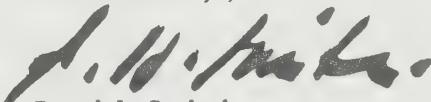
Having made this fundamental point, you then raised several other concerns and questions about PTV which reflected your feeling that it is a major new development in the Canadian communications environment. In this regard, you seemed to be suggesting that while PTV might be the catalyst for some significant and desired restructuring of the industry, this process of change should be controlled.

In order to respond to your request for comments about how PTV should be implemented, we have taken the approach of first developing principles for PTV operations which would take fullest opportunity of the potential it holds for the Canadian production industry. Specifically, we have posed the problem as how to make the most money available for production and how to put the money to work most efficiently.

The principles of operation which we would recommend follow in Part I. In Part II we have worked back from these principles to see what reasonable answers to the other questions you raised are available without seriously compromising the potential benefits for production. Finally, in Part III we discuss briefly an alternative.

We trust that we will have the opportunity to discuss this brief directly with you and any other of your colleagues or officials who will be directly involved in making the final decision on this important matter.

Yours truly,



David Smith
Metchosin Farm, Vancouver Island

c.c. Mr. H. Boyle
Chairman, CRTC



David Perlmutter, John Trent
Quadrant Films Ltd. Toronto

PART I

PRINCIPLES OF OPERATION

General:

1. The model we are describing is for a privately owned national PTV (pay television) network.
2. In this company model, unlike any other broadcasting company in Canada, profits would result only from the return on investment in Canadian productions. In this model, therefore, the incentive for management would be to:
 - (i) maximize money available for production investment by maximizing the difference between total subscription revenues and the total costs of packaging programming and distributing it to the home;
 - (ii) maximize the return on production investment by investing in the most potentially profitable productions.
3. We have stressed investment in Canadian productions, rather than purchase of Canadian productions for two reasons:
 - (i) investment is a much more efficient and direct way of assisting the Canadian production industry;
 - (ii) there is no commercial basis for allocating purchase funds among different productions under a quota system.
4. We have proposed operating principles for the PTV company which have their own integrity in the context of Company decision making, and are at the same time entirely consistent with the goal of achieving maximum support for the production industry. Thus, the requirement for regulation would be minimal.

Revenue Allocation

1. All revenue from subscription would be allocated to:
Costs: (a) networking and home distribution;
(b) program purchase and packaging;
(c) overhead

Investment:

- (a) production, including development and sales.
(Note that no revenue from subscription would be allocated to profits).

2. Revenue from production investment would be allocated in two parts on a per production basis:

Re-investment (a) recoupment of original investment would be reinvested in new productions;

Profits: (b) some percentage of returns beyond original investment would be available to owners or operators as distributed profits.

Investment (or re-investment):

1. Production investment by the PTV company would be on a strict commercial basis for the purpose of making maximum return on the equity obtained.

2. The PTV company would have no 'in house' production capability other than that which is required to manage its investments. All production investment would be through independent Canadian producers; i.e. producers who have no connection with the PTV company.

3. The PTV company would take a maximum position of 50% in any single production in order to:

- (a) spread the risk;
- (b) spread the opportunity;
- (c) help ensure that only bona fide producers are eligible;
- (d) supplement and not replace traditional sources of investments;
- (e) reduce the temptation for the program purchasing branch of the PTVN to overpay for productions in which the Company is an investor.

4. Like any other investor, the PTV company would negotiate the best deal possible with each producer, for each production. There are industry norms which tend to govern such basic questions as equity and repayment schedules. In general, for example, investment would be by way of pari passu repayable advance. On the other hand, various factors (i.e. size of investment) are brought to bear in negotiating an investor's influence through:

- (a) budget controls;
- (b) production staff approval;
- (c) completion guarantees
- (d) marketing approval.

5. Since the PTV Company will be a major investor in many Canadian productions, and since the production industry in Canada is in a relatively infant state of development vis a vis that of the United States, we should anticipate that the Company would want to have available considerable skills and information pertinent to all aspects of the industry on an international basis. This would be required not only to help the Company in making its investment decisions, but also to help the independent Canadian producer make his property more valuable. In this regard, the company would be performing a role vis a vis its clients, not unlike the role played by progressive banks and other financial institutions which invest or loan money to small businesses.

Management of the Company would therefore not only have to have sound entrepreneurial experience, but would also require a working knowledge of:

- (a) how to identify and package investment funds from the widest range of international sources;
- (b) how to analyse and monitor production budgets and schedules;
- (c) how to identify and obtain the best techniques for international marketing and distribution.

6. While one might anticipate that investment would concentrate on commercial production aimed at feature moving theatre and prime time network TV distribution, there are also potentially profitable investments to be made in productions aimed at more selected audiences. These productions, often educational or informational, offer smaller payoffs but the size of the investment and the risk factor are also correspondingly lessened if the markets are carefully identified in advance.

7. In addition, the PTV company might find it profitable to invest in specialized programming for more or less exclusive distribution on its own network. Such programming could be profitable if it would increase subscription revenue, and hence the money available for investment, in an amount greater than the Company's investment in the specialized programming.

PROGRAMMING

1. From the PTV company's point of view, programming expenditures would be a cost of raising money for Canadian production investment, wherein the only potential Company profits lie. The measure of programming effectiveness therefore would be the difference between subscription revenues and the cost of programming (given a constant cost of distribution).
2. From the Canadian production industry's point of view, in this model, the PTV Company is primarily important as a source of investment funds for Canadian production, and only secondary as a vehicle for exhibiting the Canadian product. (This is an excellent trade-off for the industry because it will put more money into production in a manner not unlike, but more efficiently than the levy systems which have been proposed, but never implemented, on movie theatre exhibition). Of course, Canadian PTV exhibition would also be lucrative for the better Canadian productions, but for these productions, the really big payoff will always be in foreign distribution.
3. Thus, in this model, it would be in the interests of both the Company and the Canadian industry for the Company to have a program policy of obtaining the most commercial programming at the least possible cost, no matter what the source. This principle, however, assumes that there would be no discrimination against the Canadian product, an assumption that many people might prefer to see enshrined in some type of regulatory review procedure.
4. Investment by the PTV company in a production should not necessarily mean that the production would be purchased for distribution on the PTVN. Each producer should choose the best distribution pattern for his property. He might, for example, get a better return from Canadian commercial broadcast sales than from PTV sales.

5. In this model, the temptation for the PTV company to overpay for productions in which it had invested would be tempered by three factors:

- (i) the company would have a maximum 50% equity in any single production;
- (ii) the company would want to allocate program purchase funds optimally in order to maximize monies available for profitable investment.
- (iii) purchasing procedures would be reviewed by the CRTC.

6. The above principles remain the same whether PTVN exhibition is on a per channel or per program basis.

DISTRIBUTION

The particular system employed for home distribution should be the one which would help generate the maximum money for investment in Canadian productions; in other words, the system which would produce the greatest difference between total subscriber revenue and total cost of distribution (given a constant cost of programming). At this time, the best such system (i.e. the one which can deliver the best and most reliable signal at the lowest cost), appears to be pay/per channel programming delivered by existing CATV networks.

PART II

Question 1 - Ownership: Public or Private?

This is a most difficult question to answer in a quantifiable manner because in theory, a public company is capable of doing anything that a private company can do. It is our opinion, however, that in this case, the Company should be private for the following reasons:

1. The government should not undertake to provide any specific goods or services which the private sector is capable of supplying efficiently and fairly. Given that the fundamental purpose of pay television is to provide maximum support for the

Canadian production industry, we have in the previous section described a working model for doing this which turns on the private sector operational dynamic of potential profit distribution to owners and/or operators. Therefore, unless one can demonstrate either why this model would not work, or how some public company model, which did not provide for distribution of profits, could do the job better, then the company should be private.

2. We usually revert to the use of public companies when the users of a service, which has been deemed necessary, is not capable of paying for the costs of supplying that service; or when the risk of gaining a fair return for providing that service is so great that the private sector is not willing to undertake it.

We have determined however that a PTV company which operates on the principles described in the previous section could attract the necessary financial backing for start up capitalization and operating expenses. Therefore the company should be private.

3. We sometimes employ public ownership when there are overriding social or political circumstances that might not be consistent with the provision of the service on a straight commercial basis. But the Canadian government already owns its own coast-to-coast television broadcasting company, strongly regulates all those companies which it does not own and operates various agencies which supply money directly to the production industry. We cannot imagine therefore how this circumstance does not give the government adequate opportunity to realize its social and political communications objectives without also owning a pay television network. In addition we also note that a private PTV company would be regulated by the CRTC. Once again, does this not provide for adequate government influence?

4. Apart from the philosophical questions raised above, there is also the point that while in theory the government is capable of producing a commercially viable feature film or television program, when one looks at the history of such past attempts by government in our country and in others, one might well

question whether the theory can be translated into practice. On the other hand, is it not true that the development of popular culture products for commercial sales to mass audiences have always resulted from the efforts of individuals whose primary goal was to make money and therefore chose to operate in the private sector? For example, is it conceivable that Samuel Goldwyn could have been a public servant?

5. There is also cause for concern that if the Company were owned by government, it would tend to replace existing public agencies, such as the CFDC, which offer important assistance to the private production industry. The industry is today in such a fragile position that the full incremental potential of PTV financing must be realized if the industry is to benefit.

Question 2 - Private Ownership?

The only persons or classes of persons who should be excluded from potential ownership are ones for whom there would be a conflict of interest. These would include:

- (i) Owners of off-air broadcasting companies because:
 - (a) they are production companies which own production services and employ independent production personnel; (b) they would, in the long run, be competitors with the PTVN for viewers and programming.
 - (ii) Owners of any other production companies, or companies which offer services to the private production industry.

The off-air broadcaster, although excluded from ownership, as a producer, would still be able to take advantage of PTV, both as a new source of investment for production and as a vehicle for exhibition. In addition, if PTV results in increased Canadian production, the broadcasting companies will make money from rentals of their facilities.

We have deliberately excluded owners of CATV from the list of ineligible PTV company owners. The reason is, assuming that PTV distribution is by CATV, there would be no conflict of interest. In fact, the CATV companies would seem to be natural partners in a PTV operation because they are in a better position than anyone to raise the necessary funds for capitalization of the company. This is because the major capital expenditure will be on

or augmenting the CATV systems themselves. If the CATV companies are not part owners, then they might rightly demand that the PTV company, which contracts to the CATV companies for distribution, should also help finance the new capitalization for the CATV systems. We assume that the source of these capital funds, whether they be banks or other financial institutions, would be more comfortable and would give easier terms if they were dealing directly with the CATV companies rather than through an intermediary. According to our Company model, the less the cost of capitalization, the more money available for investment in Canadian production.

Question 3: Language of programming?

According to the principles of operation we have proposed, it would be in the best interest of the Company to offer programming of a type and in a language that would appeal to the majority of people in any given part of the country. Indeed, if PTV programming is delivered on CATV systems, not only can regions be isolated, but in the future, individual neighbourhoods could be identified for specific programs. Therefore, there should be no concern about PTV programming not offering the majority of people in any part of the country, the programming schedule that would be most attractive to them.

Question 4: Regional and language distribution of production investment money?

1. Without imposing new laws or regulating the internal affairs of private companies, all levels of government in Canada have at their disposal a wide range of mechanisms which can be used to influence the movement of private investment funds. If these mechanisms are not sufficient, then it usually means that there was no economic justification for the investment in the first place.

2. According to the principles of investment which we proposed for the PTV Company, investment funds would flow to commercially attractive (i.e. potentially profitable) productions. These are the productions which the Minister has defined as being ones which Canadians will want to watch and which will be marketable

internationally. These are also the productions which will help develop an independent Canadian production industry. Therefore, the production investment activities of the PTV Company should not be regulated in any way which would detract from the criterion of profitability. If, from time to time, governments feel that the criterion of profitability is not resulting in an allocation of production activity around the country that is consistent with political objectives regarding regional and/or language development, then normal methods of influencing the flow of funds should be used (i.e. investment guarantees, matching funds, tax incentives). In our opinion, normal methods do not include the imposition of regulated quotas on domestic private investment.

3. In fact, the concept of equal regional or language distribution has no relevance at all to the investment activities of the PTV Company as we have proposed. The Company merely invests in productions, it does no productions itself. It would therefore be the independent producer who would decide where his production is going to locate, and even for him this decision would probably be different for different productions. In general, the independent producer will choose the best script he can and locate his production wherever the script dictates. As for language of production, once again it would be the independent producer who would make this decision before approaching the PTV Company (and other potential investors) for backing. For its part, the Company would look at the producer's property from the point of view of its profit potential, and language of production would be only one of many factors in the equation.

4, Our country is too small to separate the commercial production industry into isolated segments. The only economically feasible way to deal with the industry is on a national basis, where money, talent and skills continually gravitate to where they can best be employed. This is how the industry works in the United States, and it is more and more how the industry is being structured in Europe where co-productions among different nations are the order of the day. Surely we can do as well in Canada.

5. A national production industry would be a wonderful instrument of national unity in Canada. Quotas, or other such artificial barriers to the free flow of opportunities, more often exacerbate differences among people, than relieve them.

PART III

Comment: Another Model

One way of looking at the question of a PTV model is to pose the question, "In order to maximize the portion of subscription dollar which reaches the Canadian producer, is there any opportunity to pass on the cost of the capitalization and operation of the hardware distribution system to someone other than the Canadian producer?"

Unfortunately, there is not yet available nearly enough Canadian programming of sufficient commercial value to generate the PTV dollars on a per channel or per program basis that would be required in order to give the Canadian program a reasonable return after the cost of distribution had been deducted off the top. In the model we proposed, the cost of the distribution system is in effect being paid for with foreign programming (regardless of what type of distribution system is being used). Discounting the possibility of direct subsidization by government, the only other way we have heard of underwriting the distribution costs is to package PTV hardware with the existing CATV hardware and raise the existing CATV home rates by an amount sufficient to cover the cost of the new service.

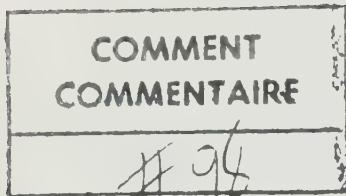
If the CRTC were to approve such a raise in CATV rates, the affect this would have on the model we have proposed would be to create a new source of revenue which might, or might not, affect the old source of revenue, subscription. In any case, the principles of operation would remain the same; generate maximum funds for investment in Canadian productions.

If however, the approved raise in CATV rates were great enough to cover the cost of installing a per program selection billing system, and assuming that such a technology would be available at a reasonable cost; then there arises the possibility that the system could be reserved exclusively for Canadian programming.

The Canadian producer would pay the line charges at a rate which would cover operating costs, and in return would take all receipts. The increased CATV rates would cover the capitalization of the system and would, in effect, be replacing the subsidization function of foreign programming. Apart from the "ifs" mentioned above, the feasibility of this model would also depend on several other assumptions including:

1. The willingness of the Canadian public to accept being denied the opportunity to see programming that would be available on PTV in the USA.
2. The willingness of the CATV subscriber ~~the~~ ^{to} pay the increased rate, rather than disconnect the entire service;
3. No retaliatory action by the USA against Canadian programming, in return for being denied access to PTV in Canada;
4. Finding a fair way of distributing choice viewing time among competing Canadian producers.

The problem with this model (and any variations on it such as permitting foreign programs but applying an "Eddy Plan" type of levy on them) is that it is basically artificial. The whole point of commercial programming is that people have the opportunity to choose whether or not they want to pay to see it, and producers and investors make their production decisions with an eye to what the competition is doing. The further our PTV model moves away from free market conditions, the less likely it will make a contribution to the development of commercial Canadian programming.



THE
ONTARIO EDUCATIONAL
COMMUNICATIONS AUTHORITY
OFFICE OF
THE CHAIRMAN

972-
Pay(TV)

October 1, 1976

Mr. Harry Boyle,
Chairman,
Canadian Radio-Television and
Telecommunications Commission,
100 Metcalfe Street,
Ottawa, Ontario.
K1A ON2.

Received - Reçu
Executive Secretary's Office
Canadian Cabinet

OCT 1 1976

C.R.T.C. - Ottawa

Dear Mr. Boyle:

The Ontario Educational Communications Authority has considered the advisability of submitting a brief to the CR-T & TC on the subject of pay television.

We have not, however, been able to acquire the necessary supporting information in the time available to us. Nevertheless, we do have a point of view which we propose to outline in this letter.

In essence we believe that if pay television is restricted to major movies and sporting events, such a service would further fragment the audiences available to existing broadcasters. Further, we believe that to be economically viable, such a service would have to use predominantly imported materials.

The Canadian broadcasting industry is already experiencing difficulty in meeting the Canadian content regulations of the Commission within the funds granted from the public sector or the income generated by the private sector.

We believe, therefore, that a decision to implement pay television at this time on Canadian cable systems would have an adverse effect on the quality and quantity of Canadian programming and would require the Commission to modify its Canadian content regulations. Since the Authority has always supported the objectives of the Commission implicit in these regulations, we would oppose the introduction of pay television at this time.

...2

Nevertheless, the Authority believes that there is a need in this nation for a comprehensive communications policy which will permit the introduction of a variety of services for the people of Canada.

While the concept of the wired city is far from new, it is only recently, with the development of new technologies using fibre optics as a means of transmitting electronic signals, that it has become realistic to assess its possible impact on our society in the immediate future. The September 20 edition of "Television Digest" described a wired city project which has been in preparation since 1972 in Japan.

"...initially will connect 300 apartments, eventually 3,000-5,000 in Higashi Ikoma project near Osaka. Two-way fiber-optic cable will provide 29 channels downstream (70-300 MHz), 5 upstream (up to 50 MHz). Among services provided, in addition to those also supplied at Tama (Local TV studio for residents; Pay-TV channel; Fax channel for newspapers; Teletext for special announcements; Still Picture Request Service; two-way educational channel, and Multiple-choice-computer assisted-tests): (1) TV Request, permitting subscribers to dial up requested videotapes, on first-come-first served basis. (2) Data Request, & Fact Service, providing on-screen information, with libraries, etc. as source. (3) Fax Request - hard-copy books, directories, hotel information, timetables, reference material. (4) Shopping Guide. (5) 'Cashless' shopping, subscriber inserting credit card into slot in home for purchases of products shown on screen. (6) Ticket, hotel, beauty parlor and clinic reservations. (7) Two-way service for medical diagnosis. (8) Meter reading. (9) Burglar-fire alarm. (10) Automatic emergency channel. (11) Televote, permitting subscriber polling.

Ministry of International Trade & Information is providing \$23 million for project."

The potential for education offered by systems similar to the one described above could mean a quantum advance in the search to make educational opportunities available to all at reasonable costs. As an educational institution we are concerned about the

environment in which learning takes place. A recent study published by the Authority, "The Demand for Part-Time Learning in Ontario", indicates that one out of every two adults in the province either is, or is interested in, undertaking a deliberate learning activity. We recognize that the ideal environment provides not only for depth and range in materials, but also for interaction among learner, teacher and materials. The demands and needs for continuing education, coupled with the specialized requirements of children, make the advent of new technologies of particular interest to the educational community.

While it is our opinion that the individual services implied in this ideal, taken separately, are not at present economic, if viewed within the context of a national telecommunications system, they provide interesting and practical opportunities for the future. If the costs of the hardware -- the cable, the terminal, etc. -- were shared across the country, then surely the principle of economy of scale would apply and all the contributors and the users would benefit.

The Ontario Educational Communications Authority therefore urges that in your deliberations on pay television, the CR-T & TC:

- consider pay television in the context of the broader resource needs of the country as a whole, and its people, for a comprehensive telecommunications system;
- continue to consider carefully the social, cultural and educational impact of new services on the total telecommunications system;
- take a strong role in ensuring the development of needed telecommunications software, infra-structure and technology, and the necessary federal-provincial mechanisms to achieve this;
- support major research efforts in the areas of technology and software in order to determine needs for services and to develop appropriate Canadian capabilities. (The OECA, through its mandate for educational communications research, would willingly contribute to and participate in such research efforts.)

We therefore request that the CR-T & TC defer any decision on the nature and composition of a system for pay television for this country until such time as the implications for a sophisticated and socially advantageous system can be evaluated and examined publicly.

Yours very truly,



T. R. Ide,
Chairman.

TORONTO MOTION PICTURE PROJECTIONISTS

AFFILIATED WITH

A.F.L.-C.I.O.

CANADIAN LABOUR CONGRESS
ONTARIO PROVINCIAL FEDERATION
OF LABOUR

LABOUR COUNCIL OF
METROPOLITAN TORONTO



CHARTERED
NOVEMBER 17TH, 1909

OF THE INTERNATIONAL ALLIANCE THEATRICAL STAGE EMPLOYEES
AND MOVING PICTURE MACHINE OPERATORS OF
THE UNITED STATES AND CANADA

EXECUTIVE OFFICES:
167 CHURCH STREET
TORONTO M5B 1Y6

PHONE: +
364-8323 & 4

October 12, 1976

REGISTERED

Ms. Lise Ouimet
Director of Public Hearings
c/o C.R.T.C.
100 Metcalf St.
Ottawa, Ont. K1A 0N2

Dear Ms. Ouimet:

COMMENT
COMMENTAIRE

99

Please find enclosed our submission to the C.R.T.C.
regarding Pay T.V.

As per my call on October 6th, I have been instructed
to send this submission to you, and it is our wish that when Public
Hearings on this matter are held, we wish to be notified in order
that we can have representation at those meetings.

It is my impression that you will forward our sub-
mission to the proper channels.

Yours respectfully,

Kenneth R. Hartwick
Chairman "Pay T.V. Committee"
I.A.T.S.E. Local 173
167 Church St.
Toronto, Ontario

KRII/jc

Home Phone - 922-0254
Bus. Phone - 364-8323

cc: Mme Jean Sauve
Minister of Communications

Received by: [Signature]
STAFF MAIL

OCT 16 1976

TORONTO MOTION PICTURE PROJECTIONISTS

AFFILIATED WITH

A.F.L.-C.I.O.

CANADIAN LABOUR CONGRESS

ONTARIO PROVINCIAL FEDERATION
OF LABOUR

LABOUR COUNCIL OF
METROPOLITAN TORONTO



CHARTERED
NOVEMBER 17TH, 1909

OF THE INTERNATIONAL ALLIANCE THEATRICAL STAGE EMPLOYEES
AND MOVING PICTURE MACHINE OPERATORS OF
THE UNITED STATES AND CANADA

EXECUTIVE OFFICES:
167 CHURCH STREET
TORONTO M5B 1Y6

PHONES:
364-8323 & 4

October 12, 1976

Brief submitted to Mme Sauve and the C.R.T.C.,
by Local 173, I.A.T.S.E. (and Sister Locals
F73, B73, and 345).

It is our feeling that the situation regarding Pay T.V. has been moving too fast, and as a result, not enough time has been allotted to allow concerned groups to sit together and analyse what the outcome of this new direction in entertainment will be.

Many questions must be answered before we can go ahead with Pay T.V., such as; How will Pay T.V. be controlled, and will such control be government control, or will this control be in the hands of Cable T.V. companies or private individuals?

How will production be affected; since Pay T.V. will demand such a growth in production, how will funds be raised to finance new production, both film and live?

How will the quality of programing on Pay T.V. be controlled, and will Provincial Government Censor Boards have any jurisdiction over what is shown on Pay T.V.?

We feel that Pay T.V. should not be licensed for control by any Cable T.V. company, since their main interest would be to carry any programing available, rather than having an interest in quality of production, or proper distribution and promotion.

We feel that Public Hearings must be set up for the purpose of airing all aspects of the situation surrounding Pay T.V.

We are of the opinion that people connected with the film theatre industry who indirectly become unemployed as a result of Pay T.V., should have provisions made whereby they can have re-training made available to them and then fed back into jobs related to Pay T.V. wherever applicable.

.....2

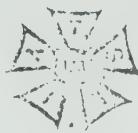
TORONTO MOTION PICTURE PROJECTIONISTS

AFFILIATED WITH

A.F.L.-C.I.O.

CANADIAN LABOUR CONGRESS
ONTARIO PROVINCIAL FEDERATION
OF LABOUR

LABOUR COUNCIL OF
METROPOLITAN TORONTO



CHARTERED

NOVEMBER 17TH, 1909

OF THE INTERNATIONAL ALLIANCE THEATRICAL STAGE EMPLOYEES
AND MOVING PICTURE MACHINE OPERATORS OF
THE UNITED STATES AND CANADA

EXECUTIVE OFFICES-
167 CHURCH STREET
TORONTO M5B 1Y6

PHONES:
364-8323 & 4

October 12, 1976

- Page 2 -

All these questions, and many more, must be answered before a clear picture of where Pay T.V. is headed, can be seen. Until that time, it is our opinion that the whole Pay T.V. situation must be slowed down, to allow Public Hearings to be held, and for concerned groups to be given answers to all their questions.

Respectfully submitted by:
Ken Hartwick
Chairman of the Pay T.V. Committee
Local 173 I.A.T.S.E.
167 Church Street
Toronto, Ontario

Ken Hartwick



CANADIAN FILM DEVELOPMENT CORPORATION
SOCIÉTÉ DE DÉVELOPPEMENT DE L'INDUSTRIE
CINÉMATOGRAPHIQUE CANADIENNE

EXECUTIVE DIRECTOR

COMMENT
COMMENTAIRE

100

DIRECTEUR

Montreal, October 1, 1976

Received - Recu
Executive Director, Canadian
Bureau du Cinéma et de l'Image

(C) 1976

Mr. Harry Boyle
Chairman
Canadian Radio Television Commission
100 Metcalfe Street
Ottawa, Ontario

Dear Mr. Boyle,

As you are aware, the Canadian Film Development Corporation presented a brief to the CRTC in June of 1975 in connection with the hearing of Pay Television which was held at that time.

In your announcement of June 2, 1976 you have formally called for suggestions concerning the introduction of pay television to be received by September 1st (later amended to October 1st) and you have suggested that many will wish to update submissions which are already in the hands of the Commission. In this connection, the Canadian Film Development Corporation would like to re-state the principles which it outlined in its original brief and point out that nothing which it has heard since, has caused it to modify its position. You will recall that the Corporation's concerns were two-fold:- firstly, that a portion of the gross revenue of the system should be designated for Canadian programming and should be paid to Canadian producers through a levy or other similar government-controlled method. This levy should be at least 15% of the gross take of the system. Secondly, we continue to believe that a portion of the air time should be allocated to Canadian production, but we think that this amount and the definition of such programs should be flexible so that they could be modified by regulation as necessary and desirable in future years.

The CFDC would also like to draw to the attention of the CRTC that it is a federal agency through which government investment is being made in the Canadian feature film industry. It hopes that its Act will shortly be amended to allow it to invest in all kinds of Canadian film and television programs. It therefore believes that it could be made responsible for reinvesting the proceeds of any Pay TV levy rather than creating a new agency for this purpose. You will recall that in our original brief to the CRTC, we suggested that 50% of the income from the levy

....2

MONTRÉAL: C.P. 71, TOUR DE LA BOURSE, 800 PLACE VICTORIA, SUITE 2220, MONTRÉAL, QUÉBEC H4Z 1A8 • (514) 283-6363
TORONTO: 111, AVENUE ROAD, SUITE 602, TORONTO, ONTARIO, M5R 3J8 • (416) 966-6436
CABLE: FILMDEV

Mr. Harry Boyle
Chairman of the CRTC.

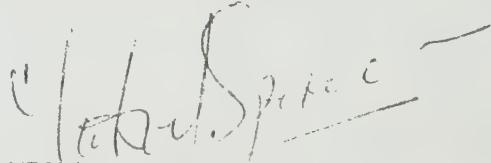
October 1, 1976

might be spent on an automatic basis, in other words that it should go to the producers whose films are accepted by the widest paying audiences. The other 50% could be allocated on a selective basis according to the Corporation's judgment of the track records of the companies applying, assessment of scenarios, technical personnel, and financial feasibility of the project. Any money provided to the CFDC for re-investing in the industry is not subject to significant deductions for overhead or administration costs as our record shows. We think that some part of the funds should be paid back to the producers of television programs, as well as to the producers of feature films.

The CFDC is the logical agency to be given responsibility for the re-distribution of the funds which the Government should take from the "front end" of any new Pay Television system. On the other hand, we would be inclined to think that the programming of the system should be undertaken in the private sector since only in this way would it be run for maximum profit to the operators (within the guidelines of the Canadian content rules which we have referred to above). We realise however that the introduction of Pay TV would increase the amount of non-Canadian programming available for Canadian television viewers and this might not be a desirable objective for the Government and the CRTC.

Finally, we do support the position of the CBC and other groups that no decision should be made until there have been further public hearings, as is the normal practice of the CRTC.

Yours sincerely,



MICHAEL D. SPENCER
EXECUTIVE DIRECTOR

BRIEF

TO THE CANADIAN RADIO-TELEVISION COMMISSION

RE PAY TELEVISION

A - INTRODUCTION

The Canadian Film Development Corporation ("C.F.D.C.") is convinced that pay television can play a major role in the development of a feature film industry in Canada if the service is properly designed to protect and foster Canadian programming. Such a service must therefore include a quota system that will assure an equitable portion of available time for national productions and a levy system which will guarantee additional financing for Canadian programmes of the best entertainment standards. The cost of producing feature films of international sales potential is high and although not all of the production funds will come from Canada, the amounts to be paid for such films on pay television should be increased by a levy on all feature films (or other programs) shown on the system. The reasons for which the C.F.D.C. is advocating the establishment of these two systems are detailed below.

B - BACKGROUND

For the last seven years, the C.F.D.C. has been financing the production of Canadian feature films for motion picture theatres. On balance, it has had its share of failures and successes so far as the quality of individual films are concerned. However, the returns to the C.F.D.C. and other investors in Canadian films have not been as high as first expected. That is why the Secretary of State, in cooperation with the C.F.D.C., has been actively engaged in persuading the provinces, which have jurisdiction over motion picture theatres, to establish quotas to protect Canadian films and a levy system. The levy is designed to provide for a percentage of the Canadian gross box office (estimated at \$180 million in 1974) to go directly from the exhibitor (theatre owner) to the producer bypassing the distributor. Only 20% of the dollar paid at the box is now flowing back to Canadian producers. Moreover, this 20% is only paid to the producer once the exhibitor and distributor have taken their shares, respectively 60% and 20%, which in some cases means that the Canadian producers only start seeing money back 6 or 8 months after the motion picture has started its theatrical run. Levies and quotas for motion picture theatres have been established for many years in countries such as U.K., France, West Germany, Sweden, Italy, etc. The U.K. Cinematograph Films Council recently recommended a levy on all films shown over British television to support the national feature film industry.

Since the C.F.D.C. is presently working to modify the system of distribution and exhibition as it now exists in Canada, it has every reason to support the C.R.T.C.'s position paper to the effect that pay television should not be allowed to develop in the same manner as the motion picture industry developed in Canada. In our view, pay television provides a very real alternative to the motion picture theatre and we would certainly support a substantial switch from theatre going to pay television if the anticipated returns from feature films on pay television showed signs of being greater than the returns we now get from the theatres.

C - PAY TELEVISION NETWORK OPERATORS

The C.F.D.C. does not feel that it is in a position to comment on the following aspects of the position paper:

- (1) Should pay television be delivered by means of cable television systems or should it utilize over-the-air transmitters?
- (2) Should the C.R.T.C. grant licenses to television broadcasters, cable television licensees or pay television network operators?

However, it would be inclined to support the idea that there should only be two licences granted initially - one for English language service and one for the French language. In our view, the quota and levy systems we recommend should

be easier to administer if the number of licensees is kept to a minimum.

D - RECOMMENDATIONS

(a) QUOTA FOR CANADIAN FILMS

We agree with the C.R.T.C. that "a balance must clearly be established between the use of Canadian and the use of foreign produced material." A certain percentage of playing time for Canadian films must be a requisite for any pay television service and such a quota idea should be introduced at the outset. We suggest that the C.R.T.C. establish a preliminary requirement of one Canadian feature film for every ten foreign films or one Canadian feature film per week. In this regard, the C.F.D.C. is proposing a quota of one week per quarter in each Canadian motion picture theatre on the understanding that this can be averaged out.

The C.F.D.C. believes that a rough guideline for the production of feature films of entertainment quality for Canada is one film per million of population. It expects to finance this number of films starting in 1976. In fact, in 1974-75, it financed 25 films of which 1/3 were low-budget films. Since there is a good backlog of Canadian features now available, the quota suggested above seems reasonable. In any case, the exact percentage could be adjusted annually depending on the results of the percentage first established.

(b) LEVY SYSTEM

The C.F.D.C. strongly supports the proposition that pay television network operators expend annually on national programming an amount of not less than 15% of gross revenues received from pay television subscribers. The C.F.D.C. also supports the proposition that this sum be calculated on the GROSS REVENUES of the pay television network operator rather than on his NET REVENUES. This mode of calculation has the advantage of eliminating the dangers of "creative" accounting practices which have unfortunately become quite predominant in the film industry. We would suggest that at least 50%, of the 15% (or a higher percentage if the percentage of feature films, both foreign and Canadian, in relation to the total programming is greater than 50%) be transferred to a central fund which could be set up under the jurisdiction of the C.F.D.C. The monies from this fund would be paid quarterly to the producer of Canadian films shown on pay television in the same period on an automatic basis according to the popularity of each film. We assume that a record could be kept of how many sets were turned on for a specific film.

We support the automatic principle based on audience acceptance inasmuch as it will provide funds to producers with established track records who have been able to attract private investors. The cost of making films of international quality is at least \$600,000 per film and we believe that all films produced for pay television should be capable of being sold abroad. Alternatively, a system could be devised whereby a

proportion of the funds would go towards specialised films or films of outstanding artistic merit. This selection could be made annually by a jury (or juries).

E - SUMMARY

- Pay television could become a major support for the film industry in Canada -- especially the feature film industry;
- The C.R.T.C. should establish Canadian quotas and a levy as an essential licence condition for pay television from the outset;
- The C.R.T.C. would appear to have all the required powers to assure that this system will work to the advantage of the Canadian film industry.

June 1975

Book & Periodical
DEVELOPMENT COUNCIL

October 1, 1976

Madame Jeanne Sauve
Minister of Communications
Journal Tower
North Building
300 Slater Street
Ottawa, Ontario K1A 0C8

Dear Madame Sauvé:

COMMENT COMMENTAIRE

101

While we do not have the obvious involvement in whatever decision is made concerning the way Pay-TV is permitted into Canada as the CBC or the Council of Canadian Filmmakers (except of course as citizens) the question is nevertheless one of considerable importance to us.

Pay-TV is of particular concern to us because a properly designed system that permitted Canadians true participation could provide, not only more work for this country's writers, but also a major source of subsidiary rights for authors and publishers. As you no doubt know, one of the economic problems suffered by the community of writers and publishers in this country is the absence of a healthy and adventuresome user of subsidiary rights.

The Development Council is concerned that a hasty implementation of Pay-TV, without extensive public discussion and consideration of the various alternatives, would be disastrous for the creative community in this country, and furthermore we're convinced the general public would be very badly served. We believe that, whatever the details, Pay-TV should encourage domestic production on the national, and even more importantly, on regional levels. We also agree, wholeheartedly, with the assertion that a sizeable percentage of profits should be used, quite specifically, to bolster the domestic film industry.

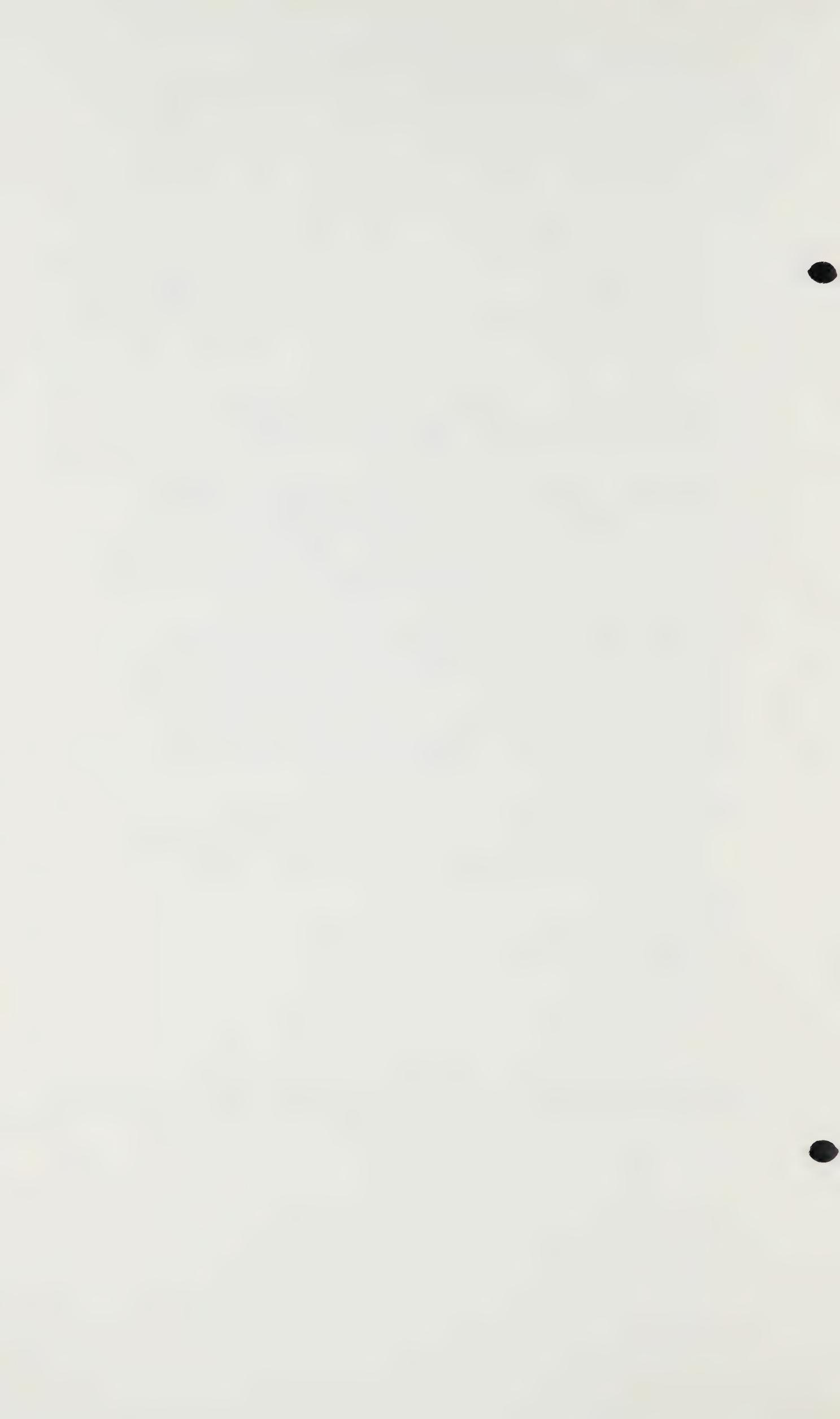
There is an enormous potential for growth and development in an imaginative implementation of Pay-TV. We join the chorus in asking the Federal Government to delay any decisions on this potentially immense development, until there has been a thorough public investigation into all the possibilities.

Sincerely

Graeme Gibson

Graeme Gibson
Executive Director

members: Association of Canadian Publishers • Canadian Book Publishers' Council • Canadian Booksellers Association
Canadian Library Association • Canadian Periodical Publishers' Association • League of Canadian Poets • Writers' Union of Canada



ROXANN VIVIAN SMITH
1153 STREAMBANK DRIVE
MISSISSAUGA, ONTARIO
CANADA L5H 1W9

(b)
P.C.
912, 21

Sept. 14/76

Received by ~~Roxanne~~
SECRETARIAT

SEP 21 1976

C.R.T.C.

M. Guy Lefebvre,
Secretary-General,
C. R. T. C.,
Berger Building,
100 Metcalfe St.,
Ottawa, Ont. K1A 0N2

COMMENT
COMMENTAIRE
H 102

Re: Pay TV

Dear Sir:

I regret that due to holidays and family matters, I have been unable to write sooner regarding the introduction of Pay TV in Canada. From what I've read on the subject, it seems as if we are rushing into something that should be given more consideration and I strongly urge that a further delay should be made in the deadline beyond October 1st.

In any event, I would like to add my support to the proposal that a national pay TV system be controlled by a public corporation, led by a well-chosen Canadian, who would devote his or her entire energies and abilities to the protection of our Canadian identity and the nurturing of our culture.

I sincerely hope that the expression of my feelings will help delay the impetus with which we are dashing into a matter requiring further study.

Yours truly,

Roxann V. Smith.

c.c. - Honourable J. Hugh Faulkner,
c.c. - Honourable Jeanne Sauve,
c.c. - Mr. Harry J. Boyle,
c.c. - Mr. Tony Abbott
c.c. - Can. Conf. of the Arts.



MURKIN - Reply to H-75-2 "Y"

OJ

CANADIAN MUSIC COUNCIL
CONSEIL CANADIEN DE LA MUSIQUE

4/9

Honorary President : Président Honoraire
WILFRID PELLETIER
President
JOHN ROBERTS

COMMENT
COMMENTAIRE

103

The Honorable Hugh Faulkner,
Secretary of State,
Lord Elgin Plaza,
21st Floor,
56 Slater,
Ottawa,
K1A 0M5.

LE SECRÉTAIRE D'ÉTAT

PAR TÉLÉPHONE

LE SECRÉTAIRE D'ÉTAT

287 MacLaren,
Suite 500,
Ottawa,
Ontario,
K2P 0L9.

Tel.: (613) 238-5893.
Tél.

August 25, 1976.

Dear Mr. Faulkner,

This is to congratulate you on the speech you gave to the Canadian Broadcasting League in Halifax. We were particularly interested in your comments on pay-TV, especially in relation to the speech you made in Winnipeg earlier this year with which we were in agreement. Unless pay-TV is extremely well regulated all the efforts of your department, the CBC and others to increase the amount of time for Canadian production using Canadian performing and creative talent will receive a grave setback. A whole other system of distributing television programs and films will have the most profound consequences as far as Canadian actors, musicians, creators and others working with them in this industry are concerned.

The amount of money which the private sector is prepared to plough back into Canadian projects is token - to say the least - and does little to guarantee a substantial enough amount of Canadian content.

We would therefore like to urge you and your colleagues in the Cabinet as well as those in the C.R.T.C. to conduct an exhaustive investigation into the whole matter. Without this there is a risk of unwittingly selling out to American rather than Canadian interests. What will really ultimately determine whether or not this country survives in the future is the expression of itself to itself through the media. Bearing this in mind we cannot afford to give away our birthright in the emerging field of pay-TV.

Departmental
Correspondance Unit

SEP 7 1976

Section de la...
Correspondance Ministerielle

ELU-504085-96

John Roberts,
President, Canadian Music Council.

Yours sincerely,





canadian guild of potters

100 avenue road toronto ontario M5R 2H3 telephone 446-923-1803



COMMENT
COMMENTAIRE

10/10/76

October 13, 1976

Mr. Guy Lefebvre
Secretary-General
Canadian Radio-Television
and Telecommunications Commission
Berger Building
100 Metcalfe Street
Ottawa
Ontario K1A 0N2

Dear Mr. Lefebvre:

It is with some concern that the Board of Directors of the Canadian Guild of Potters view the current haste to introduce and conclude the discussion about Pay TV Legislation. While we as the manipulators of ceramics materials may not be directly affected, as members of the Canadian Arts community and the community of Canada, we will be directly affected.

We, therefore, plead that this discussion be decelerated to provide adequate time for alternatives to germinate and be evaluated.

Yours sincerely

Gordon A. Barnes

Gordon A. Barnes
President

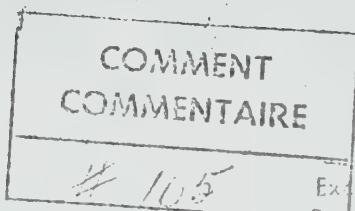
GAB*sv

Encl.



Box 841
Recehal Fe.

VIS-ITE
Oct. 5 1976



105

Received - Reçu
Executive Assistants Office
Bureau du Chef de Cabinet

OCT 20 1976

C.R.T.C. - Ottawa

Mr Harry Robbie
Independent, Vancouver
Television and
Communications Commission
Vancouver.

Dear Sir, Please consider my objection to
Pay-T.V. as proposed.

I cannot, as a pensioner and retired person, afford
an 8% inflation squeeze between unions and big
business, before to pay 3 to 5 dollars for a film
in movie theater & wish to, considering other
unacceptable content.

My objection is the inevitability than all
infant and programs, ie the Olympics, football
Super Bowls and Grey Cups & Canada Cup, political
conventions, the announcement that Trudeau
has resigned, etc will become available only
on Pay-T.V., and I can't afford that, either.

Yours truly

H.G. Robertson
Attn: Secretary



COMMENT
COMMENTAIRE
106

Box 250
Gatineau, Ontario
October 6, 1976

Mr Guy Lefebvre
C.R.T.C.
100 Metcalfe Street
Ottawa, Ontario

Received by - Reçu par
SECRETARIAT

OCT 26 1976

Secty
112-21
(Pay TV)

C.R.T.C.

Dear Sir,-

I am deeply concerned that your Commission has been called to rule on Pay T.V. with so little study or discussion.

I have not been made aware of any in-depth work done by Madame Sauvé and the Communications branch.— out of the blue in June '76 Madame Sauvé said "Pay T.V. was imminent and inevitable" - On what grounds?

I have been a member of an advisory council for educational television for over five years — I am aware of the power of this medium of communication — I am aware of the need

of the rural viewer, - the failure to serve the remote areas of Canada - the discrimination of our marginal income families and Senior Citizens who cannot afford cable or pay T.V. - and I see further alienation by catering to the urban and middle to upper class in their advantaged position -

T.V. will be a powerful force for good or evil in molding society - it is very expensive now but to maintain a high standard in Canada, with only twenty-four million people, we must not splinter support further.

May I urge you and your colleagues not to lose sight of future generations of Canadians by a hasty decision now?

Yours very truly,
(Mrs.) Gualdene Robinson

Copy to Madame Léveillé

COMMENT
COMMENTAIRE

#107

PAY TELEVISION

A RESPONSE TO THE

JUNE 2, 1976 FEDERAL PROPOSAL

THE HONOURABLE JAMES MORGAN, MINISTER
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

SEPTEMBER 20, 1976

1. The Availability of Pay Television

The development of pay television in the Province should lead to a source of entertainment and program choice, potentially available to all Newfoundlanders and Labradorians, which people are willing to pay for and watch. Technically, systems development for the delivery of pay television should not discriminate on the basis of geography or population.

2. Pay Television Programming

Pay television has the capability to enhance both Canadian and Provincial cultural development. In this respect it is suggested that pay television programming and distribution should have both national and provincial aspects. Considered on a national scale this Province would prefer to see the development of a national agency, charged with the responsibility for obtaining and delivering programming for pay television which "Canadians will watch" and which aids in the development of Canadian culture. In other words the Government would support the establishment of a pay television distributor or network as outlined in option three of the Federal proposal on pay television.

We would suggest that Telesat Canada forms an acceptable model for ownership of this network. In this respect ownership could be one-third Government, one-third broadcasters (off-air and cable) and one-third public. Such an arrangement would protect Government interests yet allow input from the broadcasting industry and from the

public. To be effective, however, this arrangement will need strong regulatory control.

This Province fully supports the Federal Government in its desire to introduce pay television into Canada in a manner which will aid in the development of a "truly Canadian production industry". We suggest, however, that since the financial viability of pay television is closely linked to customer acceptance, the method of support for the production industry should not restrict the capability of free enterprise to provide the kind of programming people desire. We refer specifically to requirements for Canadian content in pay television. Recognizing that some form of support may be necessary for the Canadian production industry, at least initially, we would suggest that a percentage of gross consumer revenues be used for this purpose. Even in this respect, however, we must express some concern, since a small sub-set of the Canadian public, namely, the pay television subscribers, will be asked to support development of the production industry, a measure which the Canadian public, as a whole, have not previously supported to the extent proposed. Moreover it can be contended that the tax supported CBC is the legitimate vehicle for the Federal Government to use in support of the production industry.

In general, supported or not supported, it is contended that the Canadian public will be best served if the Canadian production

industry competes freely and fairly with all other sources of programming for pay television.

Television in Canada in the past has relied heavily on United States programming to ensure audience appeal. The result has been the importation of United States cultural and social norms, even in areas such as Newfoundland and Labrador which are geographically remote from the United States. Whereas it is realized that this has resulted from the desire for program choice, we submit that a proper balance of Canadian and foreign content should contain more material from other countries than is currently available. For the first time, pay television can offer a choice of programming which is truly cosmopolitan in nature.

To enhance the development of provincial culture it is suggested that local sources of programming be integral to the development of programming for pay television. This can be accomplished in at least two ways:

- (1) The Newfoundland and Labrador program production capability be developed as a source for national pay television programming.

(2) The local distributors of pay television be encouraged to develop local sources of programming for distribution on a local basis in addition to pay television from national sources.

3. Pay Television Distribution

3.1 National Distribution

The provision of communications services, and pay television in this case, to the Province of Newfoundland and Labrador should be regarded as a tool of both the Federal and Provincial Governments to prevent undesirable demographic movement to ensure a population base in the areas where our resources can be most optimally developed. It would appear that the resource development sector of our society has been disadvantaged in the past because of the remoteness and the scattered population necessary to develop resources such as fishing, agriculture, mining, forestry, etc. Communications services have been supplied instead to the service sector of society, those capable of living in cities, because of the relative technological and economic ease of supplying these services. The fact that is ignored is that this service sector is entirely dependent on the resource sector for its existence. This applies not only on a local and provincial scale but also nationally.

Such cities as Montreal, Toronto and Vancouver would not exist except for those people who choose to live and work in the remote areas and engage in resource development. In the past governments have attempted to remove the inequities between the urban and rural or remote areas by cross-subsidization of one element of the communications system to another. This has tended, except for the CBC, to be largely provincial in nature because of the local character of the communications systems. It is contended that this is a limited degree of cross-subsidization which leads to regional disparity and to non-optimal development of the resources and the economy of areas such as this Province. This is a situation which Canada, as a whole, cannot afford to continue. Recognizing that all elements of the communications system and of communications services have a national dimension, a strong economic, cultural and social case can be made for cross-subsidization on a national scale. This is particularly the case for pay television which is as yet unencumbered by a restraining technology. In this respect it is suggested that satellites have the capability for delivery of communications services to the small and large cities, communities and towns in Canada and hence in Newfoundland and Labrador. Of particular applicability are the broadcasting services which are largely national in scale including pay television

and the inter-city aspects of cable television. In order to effectively serve areas such as this Province, a Federal commitment is needed towards a national distribution system, supported if necessary by the large population bases in the cities, which bring communications services to areas which have been chronically disadvantaged in the past.

The opportunity was recently extended to the Government to examine the joint Telesat Canada/Trans-Canada Telephone System proposal for a Canadian Satellite Distribution System. This Government would like to extend its support for the development of such a system. Even in this proposal, however, insufficient attention has been paid to the remote areas of the Province. The areas proposed to be served by satellite receiving antennae are those already comparatively well served by other means. We suggest, in keeping with the reasons presented above, that this system, with Federal initiative, can be an all-encompassing delivery mechanism for pay television as well as many other communications services. The alternative is provision of services to the larger areas in the Province with eventual spreading through possibly provincial means to the lesser populated areas. We would again have lost the opportunity for effective cross-subsidization and implementation on a national scale.

3.2 Local Distribution

At the local level there would appear to be a logical relationship defined by the technology of cable distribution systems which ties pay television and cable television together. This supplies service to the urban areas currently served by cable. If our desires expressed earlier for more communications services to the remote areas are to be implemented, then other means of local delivery of pay television in areas without cable must be explored.

These include:

- (i) Plans for a much wider expansion of cable than is presently licensed.
- (ii) Over-the-air broadcasting of pay television with appropriate decoding mechanisms. This is potentially a viable mechanism since frequency congestion and policing are not serious problems in the lesser populated areas. The choice afforded by over-the-air pay television may in fact lessen some of the pressure for cable in areas where cable would not be economically feasible. People desire choice and if this choice can be provided by relatively inexpensive pay television then this alternative for choice should be explored.

(iii) Broadcasting pay television programs on a delayed basis free to the general public. This should only be a temporary measure since it places the remote areas in the disadvantaged position of the past which can be avoided.

Issues of real concern with respect to local cable systems relate to the provision of new services such as pay television. On one hand the telephone companies claim the right as communications carriers to provide such services, especially of the non-broadcast nature. On the other hand the cable television companies strongly support the argument that, since they have the infrastructure in place then they should logically provide all new services. This latter argument, while persuasive, could possibly lead to an unwieldy regulatory situation, namely, a multiplicity of specialized common carriers. We are also concerned that in the cases where the telephone companies are under different regulatory control than the cable television operators insufficient information will be available to each to plan a well-integrated, efficient and extensive communications infrastructure. These are questions of course which relate to the current negotiations on provincial control of some local aspects of cable and the definition of "programming". These negotiations cannot be divorced from a consideration of pay television.

4. The Effect of Pay Television on the Broadcasters

The introduction of pay television should not threaten the viability of the off-air broadcasters in the Province, either in the provision of services to existing audiences or the extension of services to yet unserved areas. In fact ways should be found to introduce pay television and other communications services which are complementary to the operations of the off-air broadcasters. An area where it is suggested cooperation could take place is in the development of an infrastructure for signal delivery throughout the Province. The objective in both cases is the same, to reach as great an audience as possible.



COMMENT
COMMENTAIRE

108

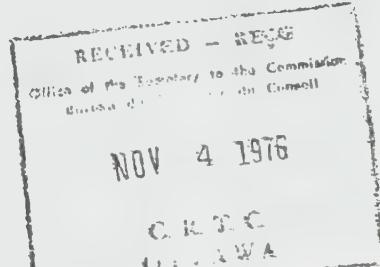
Harry Boyle
Chairman
CRTC
Berger Building, 100 Metcalfe Street
Ottawa, Ontario
K1A 0N2

28 October 1976

Pro-Vision Limited
560 Tower Rd
1671 Argyll Street
Halifax, Nova Scotia
B3J 2B5

422-5315
Tel: 902 ~~429-1070~~

Dear Harry:



I thought you might be interested in my two cents-worth in the "Great Canadian Pay Television Debate".

For your information, I've enclosed a copy of some remarks which I recently addressed to the Minister of Communications.

I'd be interested in hearing your comments about these remarks. I'd also be interested in carrying these thoughts forward into policy if there seemed to be a chance. Please let me know what you think.

Yours sincerely,

A handwritten signature in black ink, appearing to read "L.J. Gallagher".

L.J. Gallagher

Pay-Television - The Great Canadian Debate

by Les Gallagher
Pro-Vision Ltd.
540 Tower Road
Halifax, Nova Scotia
(902) 422-5215

The Canadian Cable Industry is a dynamic, resourceful and continually expanding industry. As a business, one can applaud its many accomplishments. If one's perspective demands an emphasis on culture, however, the cable industry in Canada is a momentous failure.

Canadian cable owners are first and foremost businessmen. They are well versed in the mechanics of government and political influence. The question must at some point arise as to which is more important to Canadian cable owners -- maximizing the growth potential of their business through expanding services or developing and strengthening a uniquely Canadian culture. The answer to this question shadows our future ability to see ourselves as a nation amidst the tidal signals of American cultural reality.

The Original Trade-off

Cable owners must provide the community with an accessible channel. This is the fundamental trade-off incorporated into the regulations under the Broadcasting Act in return for allowing the cable companies to infiltrate more Americana into our homes.

The community channel promised a marvelous and far-reaching counter balance to the great wave of American culture, despite the fact that there was no discernible mandate and only loose CRTC "guides". These built in flaws resulted in a shocking but predictable failure.

Businessmen look at the requirement of a community channel as a hidden tax on their license. Nobody likes taxes and businessmen seem to have a special grudge against them. Business, moreover, are used to negotiating contracts and have a natural instinct for which terms are essential and which terms can be breached with little or no consequence. From this point of view, the community channel is "bad business". The consequences of non-compliance are vague and, in any event, much less costly than serious and whole hearted compliance. Lawyers draw a careful distinction between tax "evasion" and tax "avoidance" and, while the cable owners may not evade their community channel responsibilities, they certainly avoid compliance with the spirit of the regulations.

Recommendation: WHATEVER THE RESULT OF NEGOTIATIONS BETWEEN THE CABLE OWNERS AND THE FEDERAL GOVERNMENT WITH REGARDS TO

PAY TELEVISION, THE OBLIGATIONS OF THE CABLE OWNERS MUST BE SPELLED OUT IN CLEAR AND BINDING LEGAL TERMS WITH SUBSTANTIAL PENALTIES FOR NON-COMPLIANCE, AND WITH AN ALERT AND WELL-FINANCED MONITORING ORGANIZATION AUTHORIZED TO TAKE DIRECT, EFFECTIVE ACTION.

From Sea to Shining Sea

The inherent cultural vitality of the various geographic regions in Canada is matched only by the tenacity with which the brass triangle of Toronto-Ottawa-Montreal attempts to economically dominate the means of cultural expression.

Most of the pay television proposals include the provision that funds will be made available to foster Canadian cultural content. But who's definition of "Canadian culture" will prevail? To place more power to determine how large amounts of money will be spent in the hands of Central Canadian based organizations is only to add more fuel to the flames of regional alienation.

If the whole country is to be invited to spend monies on pay television, then some provision must be made to ensure that a fair share is returned to regional hands. In a country such as Canada, the means of cultural self-expression must be as broad and diverse as the people of the land. Talking to each other, and sharing our cultural visions, must be a national priority. Pay TV, with its natural inclination towards Americanism, can only be justified if it helps to develop a grass root's ability to express the multi-faceted identity of Canada.

Recommendation: THE INHERENT NEGATIVE IMPACT OF CABLE TV ON THE CANADIAN IDENTITY CAN ONLY BE COUNTERED BY A JUST DISTRIBUTION OF CULTURAL FUNDS ACROSS THE ENTIRE COUNTRY.

The Pivotal Point

Whatever the mechanism for paying for pay television, it will have a lasting effect on the future development of user based information access systems. The 'Wired City' has not yet arrived as a reality, but the advent of pay-TV may be an indication of the future.

Advertisers captured broadcast radio and television. Will Pay-TV be similarly consumer oriented? IS it to be a medium of home entertainment or the first wedge of home based information processing? Cable owners will undoubtedly opt for the home entertainment format and suggest a total package of home entertainment for an ascertained monthly fee. Amongst the jungle of first run American movies and sports specials, there will be a spattering of ballets, dramas and 'arts' specials. Unfortunately, this will probably appeal to government, which has always had a tendency to fund high culture through the backdoor.

The arts will have greater access to funds, and the escapist will have greater access to the specialized American fare. As usual, high-culture and low-culture will divide the scanty gains between them, and the great middle ground will be ignored. Yet only this middle ground can provide the energy and enthusiasm that a dynamic and durable popular culture requires.

The format of payment is important in structuring the general attitude towards the medium. When a user pays a lump sum for an inclusive service that has no comparable competition, that service is likely to ossify at a fraction of its true potential. A service that is premised on payment for actual use is more likely to be related to what the country actively wants rather than what it will passively accept. Such a service would have more ongoing creative potential and a greater likelihood of additional services being offered at a later date.

Recommendation: THE PAYMENT SYSTEM WILL, IN THE LONG RUN, DETERMINE WHAT KIND OF MEDIUM PAY-TV BECOMES. WHILE THE 'PAY ONLY FOR WHAT YOU USE' SYSTEM IS INITIALLY MORE EXPENSIVE, IT PROVIDES FOR A BETTER AND MORE SOCIALLY USEFUL FUTURE.

Supporting Canadian Media

We know how difficult it is for Canadian television to compete with the American networks. The sophistication of our viewing public results in the slick American production being the comparative "norm", although the high costs of such production are generally beyond our own capacity.

We thus have two choices, assuming that a continued Canadian perspective is desirable. We can invest large amounts of funding in a probably futile effort to match American 'standards', or we can conclude that American concept of network television is approaching its death throes and devote ourselves to pioneering the next stage of the evolutionary cycle. Even in its infancy, cable shows how dinosaur-like the hugh networks are. Pioneering, however, is an adventurous field with more than its share of adversity.

The potential for a complete reformulation of how we utilize existing and developing technology is self-evident. We have only to determine in which direction the embryo will develop. Will it be linked to the marketing of other, largely foreign-produced, commodities? Or it will it be viewed as intrinsically valuable and native to our society, as well as potentially exportable?

Specialized packaging of information and two way information systems will rival the network's power in 15 to 20 years. The question for Canadians is who will develop and profit from this potential. If there is to be a future for Canadians in developing this new technology, money must become available to a broad range of Canadian media. Production of educational

materials, government information systems, and community media are all areas that need attention and support.

The same imbalance exists in education materials as in television viewing which is becoming increasingly American dominated. Even less investment capital is available to give Canadians a reasonable chance of success, despite the fact that the market for well produced materials is world-wide.

The average citizen is unaware of the variety, depth and importance of information flowing from provincial and federal departments. Print has failed as a medium because of its costliness and its inability to attract and inform large audiences when unplemented by other media.

Government departments will be significant participants in the production and distribution of two-way information systems. Currently the CRTC requires cable companies to provide one channel for the use of provincial educational authorities, and an additional channel for other government agencies and departments at the Federal, Provincial and Municipal levels will become increasingly necessary as the decade draws to a close. The current Pay TV discussion provides an opportunity to reserve a channel for future government use.

The unique Canadian experience in community media has pioneered a multi-faceted format of citizen involvement in cultural and social expression. Canadian community media experiments have established an international reputation, and have contributed to a growing awareness of the potential utilization of modern communication technology by the community without either commercial imperatives or centralized political motivations. Different approaches have developed across the country despite the absence of adequate funding. A mechanism could be developed similar to, or even through, the Canada Council which would provide core funding to non-profit media organizations.

The field of micro or mini communications is in the process of development. The recent growth of such personalized information processes as specialty magazines and CB radio is the tip of the iceberg. Cable television is a potential distribution system for many of these small scale and small format media, and Pay TV is a uniquely appropriate source of funding for them.

Recommendation: PAY TV SHOULD BE DESIGNED TO FOSTER A BROAD RANGE OF SMALL SCALE CANADIAN MEDIA BY GRANTS, GUARANTEED PURCHASES AND CHANNEL ALLOTMENTS.

983, Royal York Road
Toronto 3, Ontario
118 x 2 E 8
Nov. 30, 1946

Mr. Eric Guimard
CRTC
130 Metcalfe St.
Ottawa, Ontario
Dear Madam:

COMMENT
COMMENTAIRE
109

Re: "Pay TV"
As a private citizen and a taxpayer, I should
like to express an opinion on the proposed licensing
of pay-for "Pay TV".

The dominance of Hollywood in Canadian
TV movie material is threatening detrimental to
the development of the Canadian film industry
and Canadian culture.

Canada would get ready to give adequate
financial support to any such plan that would
counteract the Hollywood influence.

Pay-TVers urge that no such plan
be licensed until full consideration has been
given to such proposals as that of the Canadian
Committee on Film Production, which would:
"Give priority to the development of the

BRITISH COLUMBIA FILM INDUSTRY ASSOCIATION

P.O. BOX 91442 -WEST VANCOUVER·B.C.
Phone (604)684-4712 Cable - FILMIND
Office - 916 Davie Street, Vancouver, B.C.



29th October, 1976.

The Honourable Jeanne Sauve
Minister of Communications
Parliament Buildings,
Ottawa

RE: PAY TELEVISION

COMMENT
COMMENTAIRE
110

Secty
972-21
(Pay TV)

Dear Mme. Sauve:

Our original intentions were to submit a formal brief in response to your published request in June of this year.

The basis of our position is that Pay TV in Canada should be exclusively pay-per-program.

However, just before the filing deadline, we were informed by the executive of the Council of Canadian Film Makers, of which we are a member, that the so-called "black box technology" is some years into the future, and that we should be prepared to accept some form of subscription Pay TV in the interim.

We were caught in a quandary and decided to go along with the CCFM, hoping for public hearings to air our specific views.

However, we still feel strongly that the cable companies should not be allowed to force this issue. We do not want a repetition of the feature film compromise with Hollywood. And we now discover that our feelings are shared by the Canadian Film & Television Association, whose brief to you urges that we develop the pay-per-program system before permitting any Pay TV in this country.

May we be allowed to go on record on this one vital point; and to urge on the CRTTC further study and public hearings to ensure that we come up with the best and most workable system for Canada.

SECRETARIAT

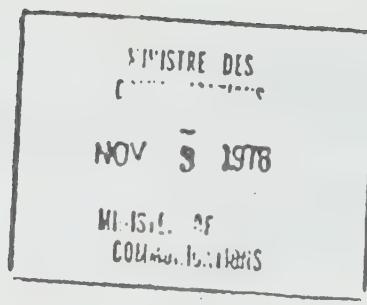
Yours respectfully,

Keith Cutler,
President 1976

NOV 18 1976

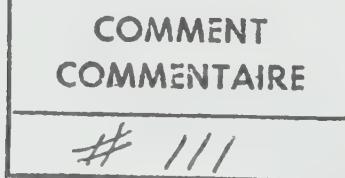
cc: CRTC, CCFM

Canadian Children's magazine



28th October, 1976.

Mme. Jeanne Sauve,
Communications Minister,
Parliament Buildings,
Ottawa, Ont.



Dear Mme. Sauve,

I've just read an article that quotes you as saying that you feel T.V. is "inevitable". I am deeply distressed! Just because we live next door to one of the most powerful nations in the world, just because we happen to be a convenient market for their many products, just because we are too lazy to appreciate this magnificent country we live in, we're selling our rights.

Isn't it enough that we receive American programmes willy-nilly through the air along our border? Must we yet pay to be brain-washed?

I am enclosing two copies of a new magazine which I have started as an alternative to an instant culture, a culture which is neglecting its heritage, and a culture which is neglecting to educate its children about their own country. From our subscriptions, we are receiving support from parents, educators, and children themselves. From official sources, I have an apple box full of letters saying that the periodical is a good idea, and they wish me luck.

How have I financed this brazen stunt? I've mortgaged my house. And I am supporting three children on my own. You can understand why I am disturbed about the prospect of T.V.. I am making enormous personal sacrifices in the other direction.

Best regards,

Evelyn Samuel
Evelyn Samuel.

EB/dlb

4150 Bracken Avenue, Victoria, B.C., Canada, V8X 3N8. Telephone (604) 479-6906.

*J. Toland
9/2/76
P.M.*

November 5, 1976

Ms. Evelyn Samuel
Canadian Children's Magazine
4150 Bracken Avenue
Victoria, B.C.
V8X 3N8

Dear Ms. Samuel:

The Honourable Jeanne Sauvé has asked me to thank you for forwarding to her your thoughtful comments on the possibilities for implementation of Pay-TV.

As you know, the desirability of, as well as the various means of introducing this concept is currently being considered. I have forwarded your comments to the persons directly concerned and assure you that your input is most appreciated.

Yours sincerely,

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
SUSAN CORNELL

Susan E. Cornell
Special Assistant

SEC/as

MOC: 9505

c.c. ✓ CRTC: info.

DOC: info.

orig. Mme. S.: info
- please return to SCL

1002 Graham Ave

Quesnel, B.C.

V2T 3C8

Received by - Reçu par
SECRETARIAT

November 18, 1976

NOV 25 1976

C.R.T.C.

Mr. Guy Lefebvre,
Director - General Licensing,
Canadian Radio-Television Commission,
100 Metcalfe St.,
Ottawa, Ontario

Dear Sir:

I am taking the liberty of writing to you as a very concerned small town independant motion picture theatre owner.

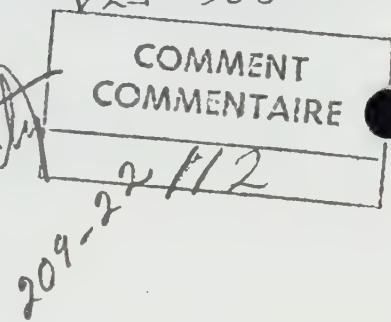
In the period November 1974-February 1975 the new Rangeland Theatre was constructed at 100 Mile House and opened it's doors for business on February 27, 1975. I was totally new to this business, being a medical practitioner in Quesnel since 1952 and am still in full time practise at that location. I have a resident projectionist manager at 100 Mile House but I order all the films myself and look after the business end of things from here. I had hoped that this business venture would provide me with a continuing interest and income after my days of medical practise were over.

We did very well after a slow start until this Fall but since the beginning of September business has slumped dramatically. I feel that the chief culprit has been Cable TV which was installed at 100 Mile House during the Summer but which did not make it's presence really felt until September when all the networks seemed to engage in a frantic competition to see who could put on the most big name motion pictures of recent vintage.

Now an even more serious threat rears it's head in the form of pay TV and if newspaper columns on the subject are anywhere correct then pay TV expects to be putting on new pictures "wherever there is Cable TV" in as little as three months after these pictures are released to major big city theatres. Can you imagine what this will do to independant theatres in small towns? The pictures will be on pay TV before prints are anywhere near available to the small town exhibitors -- and once again to quote newspaper articles, "at a price exhibitors can not hope to match with their high costs and overhead.

I realize this is a complex subject and that this is a country with a tradition of supporting free enterprise but independant exhibitors are "enterprisers" too. If they go out of business then many will be bankrupt, employees will be out of jobs and I feel that a valuable community asset will be lost. Perhaps it is outside the power of the CRTC to dictate time limits to pay TV (or to network TV for that matter) or to distributors of motion pictures but certainly if independant exhibitors had their way there would be at least a 2 year period between the time a picture was first released to theatres and the release to any form of TV. It not uncommonly takes over a year for a picture to filter down from the city theatres through the larger towns to the smaller communities.

Cont...



Motion pictures have traditionally been made for exhibition in theatres. I believe that sufficient time should be allotted to allow these movies to be shown everywhere a considerable time before they are released to the other media. What's the rush?

I know that the Motion Picture Theatre Association of Canada have submitted a brief and I support it but I thought that some individual representative of small exhibitors, should perhaps also be heard from and that is my purpose in writing.

Yours very truly,



L.H. Appleby, M.D.

LHA/mjs



INSTITUT CANADIEN
D'EDUCATION
DES ADULTES

506 est, Ste-Catherine
suite 800, Montréal H2L 2C7
Québec. 842-2766

MINISTRE DES
COMMUNICATIONS

NOV 22 1978

MINISTER OF
COMMUNICATIONS

9873

Montréal, le 19 novembre 1976.

Madame Jeanne Sauvé,
Ministre des Communications,
300 rue Slater,
Ottawa K1A 0C8

COMMENT
COMMENTAIRE

113

Madame le ministre,

Vous trouverez ci-inclus une copie du communiqué de presse dans lequel le Front commun sur les Communications se prononce sur la télévision à péage.

Nous espérons que notre point de vue sera entendu et que vous retarderez toute décision sur ce dossier.

Veuillez agréer l'expression de nos sentiments les meilleurs.

Lina Trudel

Lina Trudel, responsable
Coordination du Front commun

LT/eb

p.j.

Fédération professionnelle des
journalistes du Québec (FPJQ)

849-7271

COMMUNIQUE DE PRESSE

le 8 nov. 1976

Pour publication immédiate

**Le Front commun sur les communications
et la télévision à péage**

Le Front commun sur les communications s'oppose vigoureusement aux décisions prématurées et improvisées que les autorités fédérales veulent imposer au public en matière de télévision à péage et réclame un moratoire indéfini sur la question.

Selon le Front commun, il est inconcevable que le CRTC, après s'être ~~en décembre dernier~~ prononcé contre la télévision à péage suite à des études qui ont duré trois ans, fasse radicalement volte-face et décide, sans consulter la population, que le moment est propice à son implantation. Depuis juin dernier, certains organismes ont été consultés uniquement sur les modalités d'implantation, et, à quelques exceptions près, seuls les organismes ayant des intérêts économiques évidents dans le dossier se sont prononcés, donnant des avis très partagés. Au Québec, la majorité des groupes consultés considèrent que l'implantation de ce type de T.V. est prématurées, et, dans un contexte électoral, le ministre des communications affirme la juridiction du Québec sur la cablodiffusion et annonce que la régie des services publics tiendra des audiences sur l'opportunité d'introduire la T.V. à péage au Québec.

Toujours selon le Front commun, pas moins de ^{huit} raisons majeures militent en faveur d'un moratoire dans ce nouveau domaine de la radio-télédiffusion :

...?

- 1) Pour renverser sa politique, le CRTC n'a invoqué aucun motif valable et le gouvernement fédéral n'a rendu publique aucune des études "indépendantes" qu'il a commanditée à ce sujet. Aucune consultation publique n'est prévue sur le principe même de la télévision à péage, et le débat se trouve ainsi restreint aux seules modalités de l'implantation du nouveau système.
- 2) Les Québécois n'ont pas à être embigadés sans avis ni consentement dans une voie qui prétend répondre à des préoccupations du Canada anglais, mais qui ne correspond pas nécessairement aux besoins et aux priorités des Québécois. Diverses consultations, notamment les audiences de Radio-Québec, ont démontré que le public québécois réclame plutôt une meilleure qualité du service actuel et une véritable solution de rechange à la télévision commerciale de masse.
- 3) Dès sa naissance ici, la télévision à péage est conçue comme une "machine à profits" qu'on tente d'imposer sur le marché, sans aucun souci de ses répercussions culturelles, éducatives et sociales.
- 4) La télévision payante, comme on l'appelle aussi, va être discriminatoire à l'égard des citoyens moins fortunés ainsi que des régions rurales privées du câble et elle va marquer un recul dans la démocratisation de l'accès à la culture. (Seulement 23% des francophones ont le câble au Québec.)
- 5) Non seulement la télévision à péage va-t-elle mettre en péril les investissements énormes déjà consentis dans le réseau public de-

puis près de trente ans, mais elle va consacrer l'expropriation de la radio-télédiffusion au bénéfice d'entreprises à but lucratif dont les profits sont inversement proportionnels à la qualité de la programmation.

6) Les intérêts américains, déjà envahissants, vont exercer une mainmise plus forte encore sur le nombre et le contenu des émissions, sur les revenus et les profits de cette télévision, et ils vont rendre plus problématiques la concurrence et les exportations canadiennes et québécoises et plus dérisoires encore les velléités de réglementation du CRTC.

7) La publicité ne lâchera pas volontiers ses auditeurs et, malgré les promesses faites aux téléspectateurs de les libérer des messages publicitaires, elle se prépare à prendre dans la télévision à péage une place encore peut-être plus importante.

8) Une décision sur la télévision à péage suppose une entente préalable entre les provinces à propos de la juridiction sur la cablodiffusion.

En résumé, Le Front commun affirme que le secteur des communications traverse actuellement une crise très sérieuse et que le CRTC n'a rien fait pour l'enrayer. Au contraire, les décisions à la petite semaine prise par

le CRTC ces dernières années (à propos notamment de la troisième chaîne commerciale et de la télévision à péage) vont toujours dans le même sens : l'expropriation des ondes publiques au profit des intérêts privés et ce, dans les seuls buts d'augmenter la production canadienne et d'affirmer l'autorité du fédéral dans le domaine des communications.

Le Front commun considère primordial que le CRTC se donne un temps d'arrêt pour chercher des solutions aux véritables problèmes qui sont :

- La baisse constante de la qualité de la programmation.
- La mainmise des intérêts privés sur les ondes.
- La survie du secteur public ~~qui est~~ menacée par la prédominance du secteur privé qui se confirme de plus en plus.
- La concentration et donc le contrôle des entreprises de presse par quelques grandes entreprises privées.

Les membres du Front commun :

- Fédération professionnelle des journalistes du Québec (FPJQ)
- Institut canadien d'éducation des adultes (ICCA)
- Institut de protection des intérêts du consommateur (IPIC)
- FTQ
- Syndicat canadien de la fonction publique (SCFP FTQ)
- Fédération nationale des communications (FNC CSN)
- Association nationale des employés et techniciens en radio-diffusion (NABET)
- Syndicat des employés de Radio-Québec (CSN)
- Centre d'animation et de culture ouvrière (CACO)
- Ligue des droits de l'Homme

Received - Reçu
Executive Assistant's Office
Bureau du Chef de Cabinet

DEC 2 1976

C. R. T. C. - Ottawa

Le 25 novembre 1976

Madame Lina Trudel, responsable
Coordination du Front commun,
Institut canadien d'éducation
des adultes,
506 est, rue Ste-Catherine,
Suite 800,
Montréal, Qué.
H2L 2C7

Chère madame Trudel,

Au nom de l'honorable Jeanne Sauvé, je vous
remercie à lui avoir fait tenir copie du communiqué de
presse concernant la télévision à péage.

Soyez assurée que je porterai ce document
à l'attention du Ministre et des fonctionnaires responsables
du ministère et du Conseil de la radiodiffusion
et télécommunications canadiennes.

Veuillez agréer, chère madame Trudel, l'expression de mes sentiments distingués.

L'Adjointe spéciale,

ORIGINAL SIGNED BY
ORIGINAL SIGNÉ PAR
SUSAN CORNELL
Susan E. Cornell.

SEC/as

moc: 9873

c.c. CRTC: info.

DOC: info.

Susan: Pay-TV file



INSTITUT CANADIEN
D'EDUCATION
DES ADULTES

506 est, Ste-Catherine
suite 800, Montréal H2L 2C7
Québec. 842-2766

Montréal, le 19 novembre 1976.

Monsieur H.G. Boyle, président
CRTC,
Berger Bldg.,
100 Metcalfe St.,
Ottawa K1A 0N2

RECEIVED - REÇU
Office of the Secretary to the Commission
Bureau du secrétaire du Conseil

NOV 20 1976

C.R.T.C.
OTTAWA

Monsieur le président,

Vous trouverez ci-inclus une copie du communiqué de presse dans lequel le Front commun sur les Communications se prononce sur la télévision à péage.

Nous espérons que notre point de vue sera entendu et que vous retarderez toute décision sur ce dossier.

Veuillez agréer l'expression de nos sentiments les meilleurs.

Lina Trudel

Lina Trudel, responsable
Coordination du Front commun

LT/eb

p.j.

Fédération professionnelle des
journalistes du Québec (FPJQ)

849-7271

COMMUNIQUE DE PRESSE

Le 8 nov. 1976

Pour publication immédiate

**Le Front commun sur les communications
et la télévision à péage**

Le Front commun sur les communications s'oppose vigoureusement aux décisions prématurées et improvisées que les autorités fédérales veulent imposer au public en matière de télévision à péage et réclame un moratoire indéfini sur la question.

Selon le Front commun, il est inconcevable que le CRTC, après s'être [en décembre dernier] prononcé contre la télévision à péage suite à des études qui ont duré trois ans, fasse radicalement volte-face et décide, sans consulter la population, que le moment est propice à son implantation. Depuis juin dernier, certains organismes ont été consultés uniquement sur les modalités d'implantation, et, à quelques exceptions près, seuls les organismes ayant des intérêts économiques évidents dans le dossier se sont prononcés, donnant des avis très partagés. Au Québec, la majorité des groupes consultés considèrent que l'implantation de ce type de T.V. est prématurées, et, dans un contexte électoral, le ministre des communications affirme la juridiction du Québec sur la cablodiffusion et annonce que la régie des services publics tiendra des audiences sur l'opportunité d'introduire la T.V. à péage au Québec.

Toujours selon le Front commun, pas moins de ^{huit} ~~ense~~ raisons majeures militent en faveur d'un moratoire dans ce nouveau domaine de la radio-télédiffusion :

...?

- 1) Pour renverser sa politique, le CRTC n'a invoqué aucun motif valable et le gouvernement fédéral n'a rendu publique aucune des études "indépendantes" qu'il a commanditées à ce sujet. Aucune consultation publique n'est prévue sur le principe même de la télévision à péage, et le débat se trouve ainsi restreint aux seules modalités de l'implantation du nouveau système.
- 2) Les Québécois n'ont pas à être embrigadés sans avis ni consentement dans une voie qui prétend répondre à des préoccupations du Canada anglais, mais qui ne correspond pas nécessairement aux besoins et aux priorités des Québécois. Diverses consultations, notamment les audiences de Radio-Québec, ont démontré que le public québécois réclame plutôt une meilleure qualité du service actuel et une véritable solution de rechange à la télévision commerciale de masse.
- 3) Dès sa naissance ici, la télévision à péage est conçue comme une "machine à profits" qu'on tente d'imposer sur le marché, sans aucun souci de ses répercussions culturelles, éducatives et sociales.
- 4) La télévision payante, comme on l'appelle aussi, va être discriminatoire à l'égard des citoyens moins fortunés ainsi que des régions rurales privées du câble et elle va marquer un recul dans la démocratisation de l'accès à la culture. (Seulement 23% des francophones ont le câble au Québec.)
- 5) Non seulement la télévision à péage va-t-elle mettre en péril les investissements énormes déjà consentis dans le réseau public de-

puis près de trente ans, mais elle va consacrer l'expropriation de la radio-télédiffusion au bénéfice d'entreprises à but lucratif dont les profits sont inversement proportionnels à la qualité de la programmation.

6) Les intérêts américains, déjà envahissants, vont exercer une mainmise plus forte encore sur le nombre et le contenu des émissions, sur les revenus et les profits de cette télévision, et ils vont rendre plus problématiques la concurrence et les exportations canadiennes et québécoises et plus dérisoires encore les velléités de réglementation du CRTC.

7) La publicité ne lâchera pas volontiers ses auditoires et, malgré les promesses faites aux téléspectateurs de les libérer des messages publicitaires, elle se prépare à prendre dans la télévision à péage une place encore peut-être plus importante.

8) Une décision sur la télévision à péage suppose une entente préalable entre les provinces à propos de la juridiction sur la cablodiffusion.

En résumé, le Front commun affirme que le secteur des communications traverse actuellement une crise très sérieuse et que le CRTC n'a rien fait pour l'enrayer. Au contraire, les décisions à la petite semaine prise par

le CRTC ces dernières années (à propos notamment de la troisième chaîne commerciale et de la télévision à péage) vont toujours dans le même sens : l'expropriation des ondes publiques au profit des intérêts privés et ce, dans les seuls buts d'augmenter la production canadienne et d'affirmer l'autorité du fédéral dans le domaine des communications.

Le Front commun considère primordial que le CRTC se donne un temps d'arrêt pour chercher des solutions aux véritables problèmes qui sont :

- La baisse constante de la qualité de la programmation.
- La mainmise des intérêts privés sur les ondes.
- La survie du secteur public ~~qui est~~ menacée par la prédominance du secteur privé qui se confirme de plus en plus.
- La concentration et donc le contrôle des entreprises de presse par quelques grandes entreprises privées.

Les membres du Front commun :

- Fédération professionnelle des journalistes du Québec (FPJQ)
- Institut canadien d'éducation des adultes (ICEA)
- Institut de protection des intérêts du consommateur (IPIC)
- FTQ
- Syndicat canadien de la fonction publique (SCFP FTQ)
- Fédération nationale des communications (FNC CSN)
- Association nationale des employés et techniciens en radio-diffusion (NABET)
- Syndicat des employés de Radio-Québec (CSN)
- Centre d'animation et de culture ouvrière (CACO)
- Ligue des droits de l'Homme

9741

74-71-44-1-11

Jacques P. C.

Date 5/76



Madame Sauve

Minister of Television & Radio Communications

Ottawa

Canada.



Dear Madame:-

about 10 days ago there was an editorial in the Vancouver Sun (Page 5) re Paid TV. Unfortunately I did not cut it out so I cannot give you the exact date or the name of the writer.

However, we agree completely with the journalist, that Paid TV will not improve the calibre of television programming. Far more than it benefits only those who can afford to pay for it.

More and more people today
are relying less ~~less~~ on television to
be informed. There are newspapers,
magazines, the arts, movies,
plays, etc. which are more informative
and less repetitious to keep us
up to date with what is going
on in today's world.

Count me as one who is
much against Day 90.

Another thing that I was
unhappy to hear was that in
the New Year we will not get
CBC ^{local} radio news in the daytime
as we have been getting at this

time
I might add that I am

happy that a female(yourself) is
working in the communication portfolio.
and my good wishes go to you.
Trusting you will consider my
letter because from talking to many
of our friends and acquaintances
I feel I voice their feelings in
this regard also.

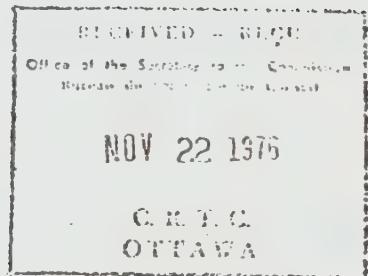
Once more, wishing you every
success in your portfolio, I remain

Sincerely,

Pauline A. Rose.

November 15, 1976

Mrs. Dulcie A. Ross
7411-149 A Street
Surrey, British Columbia



Dear Mrs. Ross:

The Honourable Jeanne Sauvé has asked me to thank you for forwarding to her your thoughtful comments on the possibilities for implementation of Pay TV.

As you know, the desirability of, as well as the various means of introducing this concept is currently being considered. I have forwarded your comments to the persons directly concerned and assured you that your input is most appreciated.

In regard to the future deletion of your local radio daytime news, I have taken the liberty of sending a copy of your correspondence to the Secretary of State, the Honourable John Roberts, the Minister responsible for CBC.

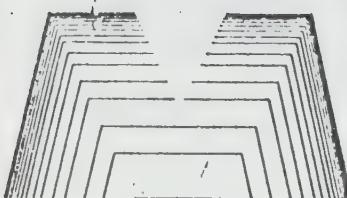
Once again thank you for communicating your views to the Minister.

Yours sincerely,

SEC/gg
moc: 9741

Susan E. Cornell
Special Assistant

c.c. DOC *for further reply
CRTC * info
SOS * for further reply
SEC * Pay TV file



Registered in England: 1019927
VAT Registration No. 233 1946 74

VIDEOMARKETING LIMITED

BUSHEY STUDIOS · MELBOURNE ROAD · BUSHEY · HERTS
Telephone: 01-950 1621 Telex: 922 996

Directors: A. J. Hemmings (Managing)

J. R. Hemmings

29th November 1976

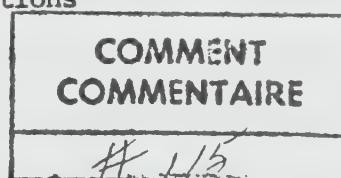
Received - Reçu
Executive Assistant's Office
Bureau du Chef de Cabinet

DEC 8 1976

C. R. T. C. - Ottawa

Mr Harry Boyle
Chairman
Canadian Radio & Television Commission
Department of Communications
Ottawa
Quebec
Canada

Dear Mr Boyle



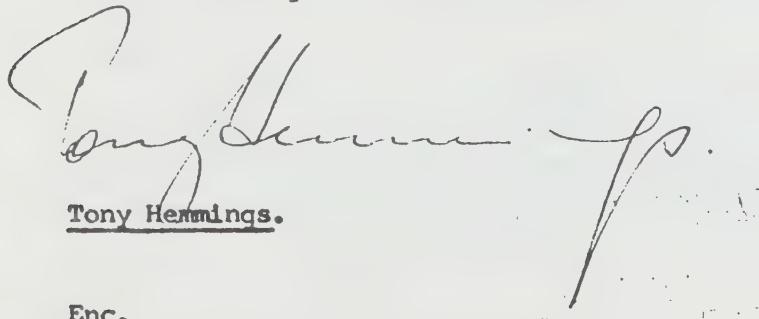
In recent months I have been studying the PAY-TV situation in Canada and the U.S.A. essentially to assess what potential there could be in the short, middle and long term for television programmes and films emanating from the United Kingdom and Europe.

Attached is a paper which I recently wrote concerning the situation in Canada. It may sound a little presumptuous for a non-Canadian to prepare such a report. On the other hand I worked for C.T.V. Network in Toronto and have visited Canadian producers and distributors regularly ever since. Moreover, I believe that an unbiased, unprejudiced view from an outsider can often be more objective, particularly on such a complicated and political issue as PAY-TV.

The issues confronting the Canadians on PAY-TV are manifold and far reaching. I do, however, think that each of the parties involved in coming to a conclusion have failed to focus on the essential advantages and programme requirements of PAY-TV. The last person who seems to have been borne in mind is the viewer.

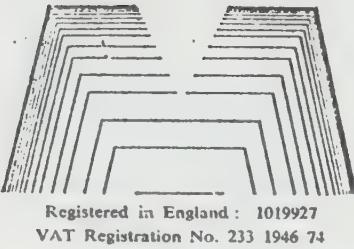
May I humbly submit this paper to you and your colleagues as an independent objective analysis from an unbiased outsider in the hope that it will assist you all in your deliberations. If you feel at any time that you would wish me to elaborate further on these matters, I would be open to suggestions. I come to Montreal and Toronto more or less every eight weeks and would be happy to meet you or any of your colleagues on my next trip scheduled for late January.

Yours sincerely


Tony Hemmings

Enc.

BEC 115



Registered in England : 1019927
VAT Registration No. 233 1946 74

VIDEOMARKETING LIMITED

BUSHEY STUDIOS · MELBOURNE ROAD · BUSHEY · HERTS

Telephone: 01-950 1621

Telex: 922 996

Directors: A. J. Hemmings (Managing)

J. R. Hemmings

BACKGROUND

Worked in television since 1958 in BRITAIN, HAMBURG and TORONTO for A.T.V., TELEVISION WALES and WEST, CANADIAN TELEVISION NETWORK, ASSOCIATED BRITISH PATHÉ, POLYTEL, POLYGRAM, TRANSMEDIA and his own company, VIDEOMARKETING. He has had executive posts in all fields of television, production, programming, distribution, sales and sponsorship and in the videocassette task force of Polygram. He has travelled extensively in Europe, North America and Japan.

-- -- -- -- --

A SOLUTION TO PAY TV IN CANADA

by Tony Hemmings, Managing Director
Videomarketing Limited, Bushey, London, England.

1. INTRODUCTION.

The Canadian Radio and Television Commission (CRTC) has asked for proposals on Pay TV to be submitted in order that they can come to a decision on what form of Pay TV should be established in Canada. It is the intention of this paper to:-

- (i) examine the options
- (ii) make recommendations in the best interests of the Canadian people. The conclusions are mine alone, and have been drawn following detailed discussions and research into the Pay TV medium in Canada and the U.S.A.

2. THE OPTIONS.

The options are:-

- (i) establish a single network, public or private, owned by a consortium of broadcasting, and cable operators using existing cable systems.
- (ii) establish a single network, public or private without participation by broadcasting and cable operators but via existing cable systems.
- (iii) appoint individual licensees, each having different programme schedules and using different channels via existing cable systems.
- (iv) establish a single, public or private network, without broadcasting or cable participation using a new over-the-air pay TV system.
- (v) have a privately owned totally closed circuit system, on a pay as you view basis, not under the jurisdiction of CRTC and offering up to four separate channels.
- (vi) Do nothing and leave everything to option v.

In examining these options:-

Option (i)

The single network concept per se is non-competitive, is against a policy of free enterprise, makes an overall programming czar, is not in the interest of the Canadian viewer. The conflict of interests between Canadian Broadcasters and cable operators would hardly make a happy marriage. Programming for Pay TV, with the exception of movies and major sports events, is totally different to broadcast television. Broadcasters should stick to broadcasting. Cable companies have hardware but no programming/production experience.

Option (ii)

As in option (i), the single network concept is against free enterprise and the public and Canadian production company interests. A consortium of non broadcast and non cable interests would still create a programming czar. Moreover such a network would not find the cable companies very co-operative in the leasing of their lines.

/Cont.....

Option (iii)

Individual licencees provide a much more exciting proposition for the viewer and Canadian production. The cable operator would be happier because he would be leasing to more subscribers. The viewer would have the ultimate choice of which service to take, and if he didn't like it, he could change. By having say six licensees, each licensee would have to programme imaginatively to attract and keep his subscribers. Major feature films would not be enough and more emphasis would have to be put on specialist programming, hence the opportunity for the Canadian producer. The main inhibiting factor lies in the cost of the box and connecting and disconnecting charges.

Option (iv)

Over the air Pay TV has the prime advantage of being able to reach every TV antenna without using cable. It has still the disadvantage of being a single network system. However, as a pay-per-view system, it could be used very effectively, under CRTC control as a device for retaining a portion of revenue for Canadian production arising from the showing of first run movies, special events and, in non peak times, specialist programming. It would be the nearest competitor to broadcast TV, but for at least ten years the number of subscribers taking the system would make no major impact on broadcast TV revenues.

Option (v)

A pay as you view system with a capacity for four channels, provided by completely new private lines on closed circuit is already available in embryo. It does not come under CRTC legislation as no air waves are used, nor are the cable companies' lines used. It is, in fact, the ideal solution to Canada's dilemma about Pay TV. It is the fairest system to the producers, both Canadian and foreign, to the viewer as with four channels available, most tastes can be catered for, and especially minority interest subjects. It provides a unique read out system which guarantees the producer will receive full revenues for a successful film rather than be thrown in a pot pourri as on the subscription system. The whole question of Canadian content becomes irrelevant. All programming will be judged and selected by the viewer. It is a secure system as the box can be locked thus preventing child access, and thus offering adult material without recourse. When sufficient subscribers exist, it would provide a sponsor with a factual / result of viewers watching thus obviating the need for the present totally inadequate, and grossly abused system of television ratings. The time will come when we will see the sponsors having series on 'How to....!' or the Arts and enrichment programmes. The sponsor will keep the price of the programme down and even offer some free. Instant response and two way communication are possible.

All these and every conceivable item of programming can be placed on a private closed circuit system without any interference from broadcasters, cable companies or the CRTC and the viewer and the Canadian producers will be the ones to benefit. The system exists, the technology is there, the cost of laying in lines and boxes is not much more than the cable companies will need to spend to make conversion boxes from existing converters, quite apart from having to renew some ten year old cables.

/Cont.....

Option (vi)

By the time the CRTC hearings are over and the behind the scene lobbying is done, and a decision is reached, at least one more year will have gone by. It would probably be an additional year before the first Pay TV pictures come through, particularly as experiments would be necessary. In the meantime, Pay TV and closed circuit television is gathering momentum in the U.S.A. Over the air Pay TV licences have already been granted, and a pay as you view system is in operation.

3. SUMMARY AND CONCLUSION OF OPTIONS.

Too much concern and time seems to have been devoted to the broadcasters and cable companies who are effectively lobbying for some say and/or role in Pay TV. Some regard has been given to Canadian producers, but the limiting guide lines of the Government do not presently help them. Precious little regard has been given to the viewer who, in the end, makes the decision. No Pay TV system, however beautifully contrived, will work and survive if the viewer drops out. A single network system, unless it is pay per view, will only last a few months.

In the end the viewer will also control the destiny of the Canadian producer. There is no point in devising an artificial market place for Canadian productions. They must face all competition from within and from abroad. A pay as you view system will soon tell Canadian producers if they are on the right track. Sorry stories of the proximity to the U.S. border, multi-ethnic and language groups, advertisers going for U.S. shows, cable companies bringing in U.S. signals, will not solve the Canadian producer's problem, but pay as you view television can help them and provides the ultimate test.

4. PAY TV - THE VIDEO PUBLISHER.

There are three main elements to Pay TV's success - first run movies - sports, and specialist programmes which cannot run on broadcast TV by reason of limited audience, or censorship. Sports and movies have been given wide attention but specialist programmes have almost been forgotten, yet it is this area for which pay as you view TV provides the ideal outlet. Everyone has some kind of special interest, from philately to bridge, model building to steam trains, art collecting to pornography, ballroom dancing to fishing, language learning to holidays or cars for 1977. Go to any library and study the list of subjects for which they hold books or look on a magazine stall. Virtually every subject has some visual application even 'filling in your tax form'!

It is the publishers who hold the key to this, and yet, not one publishing company submitted a brief on Pay TV to CRTC for the June 1975 public hearing. Together with Canadian film/television producers, they should be already well ahead in planning specialist productions, ready for the time that Pay TV arrives. They have the editorial expertise, a wealth of information, research and cash.

Whilst books and magazines can be produced very cheaply, film or television production is much more expensive, and I envisage that sponsors with publishers and producers will devise pay as you view television programmes, just as one can now buy the Guiness Book of Records, the Rothman's Book on Tennis, the Michelin Guide. The public don't mind the advertiser's name, the production is subsidized and everyone wins.

/Cont.....

It may be argued that spot advertising would creep in but the Pay TV operator and the sponsor/advertiser know that the no-commercial approach is what attracts the viewer, so to place spots will merely aggravate unless it is so tastefully and cleverly done that the viewer appreciates it c.f. Bell Telephone Hour many years ago.

5. PAY AS YOU VIEW v SUBSCRIPTION TV.

No subscription TV service will stand the test of time, and make a profit. The cost of installation and indeed of removing is high, one channel is really insufficient and the viewer will not have the chance to view anything but movies and sports. It cannot run really censorable material for fear of child access, and specialist material may go out at inconvenient times, so eventually the subscriber will drop out. The producer is offered a pittance for his film or sports event compared with what his film deserves, and why should his box office success support the rest. Subscription TV provides no feed back to the operator or producer, so the sponsor could never be attracted to the medium. The system falls halfway between broadcast TV and Pay as you view TV. The more subscribers a subscription TV operator signs up, the more he will eventually lose. Only Pay as you view TV, ideally with at least two channels, if not four, provides a profit centre that encourages the viewer to watch and the producer to produce. A Pay as you view over the air TV single channel may prove profitable though programming choice is severely restricted.

6. WILL THE BROADCAST COMPANIES LOSE?

At least for the next five years, they won't lose a thing and even in ten years probably not very much as the number of subscribers just won't be there. For first run TV movies on Pay TV, it is just like a cinema showing. A subsequent play on broadcast TV will not radically diminish the ratings achieved or the price therefore. For sports and major events, Pay TV could eventually outbid the broadcasters but not for a long time. However, Pay TV will be an attractive facility for the sports fans of blacked out games on broadcast TV. In specialist programme areas, at any one time the audience will probably be small except for xx rated subjects. Ratings therefore will be only marginally effected. It is true that maybe in ten years time broadcast companies may feel the effect of Pay TV or indeed videocassettes or videodiscs. Broadcast TV stole their audience from the cinemas. Pay TV may encroach on broadcast TV to their detriment. Ultimately, there will be a fragmenting of the TV audience, but that's not a bad thing. Broadcast TV in Canada and U.S.A. is a rather bad compromise between satisfying the needs of the public and the advertiser c.f. the B.B.C. The public are not very happy with the constant commercial interruptions nor are the advertisers. Pay TV will go some way to pleasing everybody without ruining broadcast TV.

7. SUMMARY.

The CRTC need not hurry, but should consider Option (iv), over the air pay as you view TV most carefully. They should dismiss the idea of a single network on a subscription basis, happily leave to private enterprise the developments of a closed circuit pay as you view multi-channel system, as it is in the interests of the public and Canadian production. They should not be overawed by the pleas, complaints or pledges of the broadcasters and cable companies. Remember, it is the viewer who will ultimately decide.

Toronto, Ontario.
November 30, 1976.

Ms. Lise Quinet,
R.T.C.
20 Metcalfe St.,
Ottawa, Ont. K1P 5M1

Received by as Regd pos
SECRETARIAT

F. Darrow
972-211

10/31	COMMENT	DEC 8 1976
	COMMENTAIRE	
	# 116	G.R.L.S.

Dear Ms. Quinet,

We are members of C.A.S.A (Communications Association for Senior Adults). Earlier today we had the pleasure of hearing speakers discuss the topic of "Pay T.V. - Good or Bad?".

We would like to register our opinion on that vital question, as follows: -

To bring in Pay T.V. at the present time means we would be inundated with American films and be more dependent on American content than ever.

The business interests promoting the idea of Pay T.V. state that the Canadian film industry would be stimulated through a fund which they estimate to be about 80 million dollars a year, which would come from profits made by the Pay T.V. interests. Unless the Canadian film industry made more competitive than it is presently before the onset of Pay T.V. (with overwhelming American

2

context), the Canadian industry would be seriously handicapped.

Having little choice, the Canadian viewing public would become conditioned to accepting what was offered by the U.S. interests. Government, after all, has greater influence than will-power.

Our suggestion, therefore, is that government funds be made available to stimulate the Canadian film industry before pay T.V. becomes a fact.

Yours very truly,
Gloria and Jim Larkin



MR & MRS J M LARKIN
175 RANLEIGH AVE
TORONTO ONTARIO
M4N 1X3

276 St. George St. Ctr. 806
Toronto, November 29, 1976

Mrs. Diane Guillet
CRTC
100 Metcalfe St.
Ottawa, Ont.

Dear Madame -



I attended a meeting - a forum - on "Pay TV - Good or Bad" conducted by the Canadian Association for Senior Adults at which speakers represented the pros and cons of the topic.

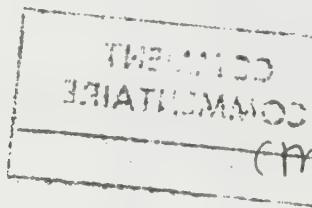
I must say that nothing that was said convinced me that much would be gained from encouraging Pay TV.

It was made very clear that unfortunately Canada is not in a position to support programmes that can lead to a culturally healthy country. But is there any reason to allow a system to be set up which blatantly encourages only American culture?

To combat this it would seem to me that every encouragement should be given to the Canadian Council on Film Development in its endeavours to build up a fine

whereby the Canadian film industry could be adequately supported.

I would urge, therefore, that the C.R.T.C do all in its power to influence the Canadian Government to come to the support financially of the Council

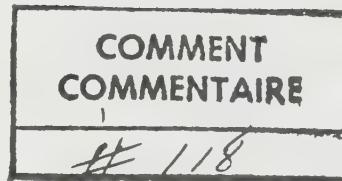


Sincerely yours,

(Mars.) S. J. Gerridzen

44 Egore Drive
Toronto, Ont.
M5M 3R4
Nov. 29 176

Mrs. Lise Quimet, CRTC,
100 Metcalfe St.
Ottawa, Ont.



Dear Mrs. Quimet:

Re: Pay Television in Canada

The probability of Pay Television with the attending increase in U.S. Hollywood productions creates a very undesirable situation for Canada. We understand, and concur in the statement that there is not sufficient Canadian Content to fill the necessary time slot at the present time. Surely there must be a better way to encourage Canadian production than by using the U.S. movies to create the "slush" fund that is going to make the industry viable. Who are we kidding? When did private industry kill the goose for someone else to profit? The argument that rates are controlled - low long before \$8 per month becomes \$10 or even \$12?

Let us delay any contract with current Pay TV entrepreneurs until a better way can be found to subsidize the Canadian industry in a more reliable manner, and be sure the "excess profits" stay in Canada and are reinvested in the production of more Canadian Content.

Yours truly
Luella Henderson

88 Prairie Dr.,
Scarborough, Ont.
Nov. 31, 1976

Mrs. Lise Ouermet
C.R.T.C.
100 Metcalfe St.,
Ottawa, Ont.



Dear Madam:

I want to express my feelings with regard to Pay T.V. in Canada.

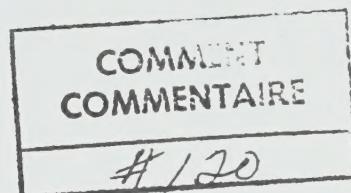
I feel this will only further support the American film industry and prevent our own country from promoting or developing their own Canadian talent and business. This is only a further step in losing our Canadian identity. I hope things will be done to safeguard our own talent, culture and economy.

Yours truly,
(Mrs. H.E.) E. Bangay

M2L 114

5 York Rd
Willowdale Ont.
Tues. Nov 30 1976

Ms Lise Ouimet.
CRTC
100 Metcalfe St.
Ottawa.



Dear Ms.

To-day I was present at a meeting of the Communications Assn. of Adults held in the Mac Donald Block, Ontario Govt. Toronto to take part in a seminar of Pay T.V. The panel consisted of Dalla Reckards C.B.C., Sandra Gathurcole of the film producers, and Colin Watson of Canadian Cable Systems. Each presented his point of view on Pay T.V. good or bad.

Many in the audience had a fear of our Canadian point of view being lost in the midst of the American T.V. and protested against the idea of Pay TV becoming under the control of the cable systems. I join in their fears.

Sincerely.

R. E. Story

